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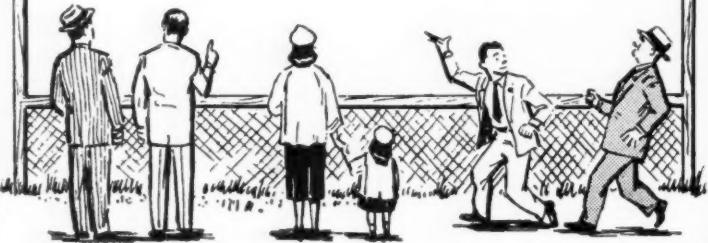
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The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

59th Year, No. 29
July 21, 1955

UJF in N. J. Begins Operation; Initial Experience 'Normal'

Get 655 "Notices" in First Quarter, But Number Is Accelerating

The unsatisfied claim and judgment fund of New Jersey, commonly referred to as UJF, which has been the subject of wide discussion and disagreement in the insurance business, is now in its second quarter of operation. So far it has functioned more satisfactorily than its proponents expected.

When the fund was established and before it began operation estimates were that claims would run from 4,000 to 14,000 a year. In the first quarter, the Unsatisfied Claim and Judgment Fund Board, which administers the fund, received 655 notices, which is at a rate of less than 4,000 a year. The notice of intention to make claim against the fund is the first step, and not all such notices develop into claims, for one reason or another.

• • •

As W. Lewis Bambrick, manager of the board and an experienced automobile casualty claims man, points out, one of the new procedures involved in the functioning of the fund about which claim men and others were most apprehensive is getting the uninsured voluntarily to agree upon a settlement and then sign up to pay it. However, so far, there has not been much trouble with this feature. In most cases, claim men have secured the desired result by pointing out to uninsured that it is more economical for him to agree to a settlement than to let it go to a jury for the assessment of damages. Once the obligation is measured and fitted to the uninsured in court, then uninsured is obligated, of course, willy-nilly.

There is also exerted on uninsured the pressure of the fact that he continues to face his responsibilities under the security responsibility act. Within 60 days after the accident, he has to show the motor vehicle bureau a release or a settlement agreement, or he must post a deposit to satisfy a possible judgment. Otherwise he cannot drive and is off the road.

Where necessary, uninsured can arrange to repay the fund in installments. He retains his driving privilege so long as he makes such payments on time. Otherwise, he loses them.

The threat of the loss of the driving privilege is a powerful lever. In some cases uninsured is so negligent and irresponsible that he has nothing to gain by settlement, Mr. Bambrick points out, and the tendency in these instances would be for the matter to go to judgment. For example, one case with which the board is dealing involved the theft of an automobile by the driver, who was drunk. In the

Rates On Contract Bonds Are Cut 18% By Surety Assn.

An overall reduction of 18% on major types of construction contract bonds has been made by Surety Assn. of America, effective July 20. It is the most important reduction in contract bond rates in 10 years.

Types included in the revision are construction class "B," construction construction class "A," bridges—complete construction or substructures only, highways, roads, etc.

The new rates per thousand for class "B" contracts are as follows: First \$100,000, \$10; next \$2.4 million, \$6.50; next \$2.5 million, \$5.25; next \$2.5 million, \$5, and over \$7.5 million \$4.70.

The revision extends the principle of a term premium based on stipulated time for completion which was previously available only on contracts over \$2.5 million to all types of contracts affected, irrespective of size. A new scale of charges for additional time beyond two years or 731 calendar days has been adopted in the interest of efficiency and simplicity in use.

Empire State Names Reed in Texas Field

Empire State has appointed William A. Reed special agent for Texas. He will work with State Agent Herbert J. West.

Mr. Reed was formerly a special agent in Texas for Corson & Reynolds.

Gresham Adjustment Names Two

G. W. Beyer and P. J. Fitzgibbons have joined the R. L. Gresham & Co. adjustment firm of Las Vegas.

Mr. Beyer will be in the fire and marine department. He was with St. Paul F. & M. for five years in the loss department. Mr. Fitzgibbons, who was with Government Employees in Washington, D. C., as home office supervisor, will handle liability lines.

Wash. Federation of Labor To Organize \$4 Million Insurer

Washington State Federation of Labor has received a four to one vote of approval from its membership to organize a fire and casualty insurer with an initial capital and surplus of \$4 million. The federation met last week at Bellingham, and was authorized to sell 200,000 shares of common stock to affiliated unions at \$20 a share with the expectation that the corporate structure and sale of stock can be begun before the end of 1955.

E. Weston, president of the federation, in making the first announcements of the plan some time ago, recalled how private insurance companies had played a large part in the defeat in 1950 of the federation's initiative 28, which would have set up state unemployment disability benefits. While talk was going on of the formation of an insurer, some of the labor leaders predicted that union competition might force private insurers to accept unionization of their employees in order to obtain favor with their customers. However, at the business meeting last week neither revenge or union organization were mentioned.

Members of the labor union were urged to vote for the insurer because it would give them such potential benefits as conversion of present insurance costs to the advantage of labor, maximum protection and service at low cost, development of a long range investment program for the union, and an opportunity to union men and women to participate in the dividends of a private enterprise.

In an announcement, the executive board said "the fathers of this plan are well qualified to provide the organizational and operational know-how for a successful insurance organization."

Late News Bulletins . . .

American Title Offers to Buy Reliable Fire

Reliable Fire of Dayton has notified stockholders of a proposal by American Title & Ins. Co. of Miami to purchase the majority stock of the Ohio company. The letter to Reliable stockholders from Walter F. Oelman, president, indicated the offer has been unanimously recommended by directors. American Title, which is a member of the Joseph Weintraub group, would continue to operate Reliable out of Dayton, and would extend the fields in which Reliable operates.

Reliable, 90 years old, has 25,000 shares of \$20 par value outstanding. It had assets of \$2 million at last year end and \$607,000 of earned premiums for 1954. American Title at year end had assets of \$5 million plus and wrote premiums of \$1,800,000 for the year.

Fire Losses in June Increase 8.1%

National Board has reported that estimated fire losses in the United States in June amounted to \$70,828,000, an 8.1% increase over losses for the same month in 1954 and a 1.3% increase from May losses. Losses for the first six months totaled \$469,751,000, compared with \$455,990,000 for the same period last year, a 3% increase.

American Surety Names Brown Agency V-P

Randolph E. Brown has been named vice-president in charge of agencies and production of American Surety. He had been manager at Brooklyn for

Potential Atom Loss Enormous Even if Remote

Insurance Study Group Believes Some of Risk Can Be Written

WASHINGTON—A 10-member study group of insurance executives named by the atomic energy commission to look into the question of how adequate insurance can be made available to businesses and industries embarking on peace time atomic projects has issued a report that the catastrophe potential, although remote, is more serious than anything known in industry.

The group, which has been studying the situation since March, stated the possibility of a serious catastrophe seems very remote because of (a) substantial progress made in the development of controls to prevent a dangerous incident, and (b) the development of features for containment of the results of a reactor failure should the multiplicity of controls all fail.

The insurance men also agreed that insurers could handle some types of coverage on atomic plants much as they do other types of hazardous operations, but they pointed out that other kinds of insurance remain to be worked out. In any case, there is still much work to be done on the problem of insurance for private operation of reactors and other atomic energy facilities.

Interim conclusions reached by the group include:

Insurance capacity for the physical hazards as now applicable to more hazardous types of chemical operations appears to be adequate to cover atomic reactor plants. If, however, the reactor should be located in proximity to large existing industrial plants the increased exposure of the latter may be beyond the capacity of the business.

Physical damage losses to reactors and machinery incidental to atomic power plant installations can probably be handled in the same way that boiler and machinery coverage on extra-hazardous machinery is handled in other industries. Radioactive contamination of machinery and equipment and the containing buildings resulting from reactor failure presents new hazards requiring further investigation by the insurance business to determine the nature and scope of coverage that can be afforded.

Insurance against loss of use frequently purchased in connection with boiler and machinery and other physical damage coverage presents a difficult insurance problem during the period of early development of industrial atomic power. Such insurance is, in effect, a guarantee of successful operation and the study group believes that if any such protection is available

(CONTINUED ON PAGE 18)

(CONTINUED ON PAGE 30)

(CONTINUED ON PAGE 32)

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Announcement

The name of the

Coal Operators Casualty Company

has been changed

to

Old Republic Insurance
Company

Home Office: Greensburg, Pa. ★ James H. Jarrell, President

Final Volumes in N. Y. Department's Books on Regulation Successfully Cap Series

By KENNETH O. FORCE

The New York insurance department has been publishing from time to time the lectures delivered before the examiners of the department as a part of its 3-year in-training program. The last two volumes, 5 and 6, are now available under the general title of their predecessors, *Examination of Insurance Companies*. These two in some respects are more interesting and valuable than the previous volumes because they contain much general material that would ordinarily be found in the introduction to a book or the introductory volume of a series.

This is no way diminishes the value of the preceding volumes. It is, in fact, a reflection of the way the idea grew and the unexpectedly heavy demand for the books. As Adelbert G. Straub Jr., the former deputy superintendent who conceived the idea of publishing the materials and supervised its issuance, points out, the scope of the publications became more comprehensive with each succeeding volume.

These new volumes contain an enormous amount of material, much of it of great interest. For those in and near the business who have purchased the preceding volumes, these two represent the best yet. For those who have not been introduced to the series, they should prove interesting and useful enough to lead them to the others. This brace, like the other two sets of two volumes each, sells for \$15 at the insurance department, 61 Broadway, New York, or the six volumes can be purchased for \$45. A volume containing a comprehensive index is in preparation.

Several pieces in the final two volumes are excellent. A few are superlatively good, as descriptions of the insurance structure, procedures and philosophy. Others, particularly those written by departmental personnel, while serving a narrower purpose, are clear, succinct and enlightening.

The subjects treated in the two books are heterogeneous, but the principal story is, appropriately enough, insurance regulation. How thoroughly they achieve their purpose is indicated by the fact that no one, after reading the treatise of Raymond Harris, deputy superintendent, on administrative law, for example, or the article by Joseph F. Collins, chief of the rating bureau, on rate regulation, can fail to see how far regulation of the business by the state has gone and how detailed it is today.

The discussion by J. J. Magrath, secretary of Federal and formerly with the department, on rating, the rating process and rating organizations is the clearest and most complete exposition of this phase of insurance that this reviewer has ever seen. For the beginner to the business it can be recommended wholeheartedly. It is the answer to the inquiry, which is inevitably made by the newcomer, as to who exerts what authority on whom for what in the fire and casualty business. For the experienced insurance man, the Magrath essay will make pleasant as well as educational reading.

The volumes contain an intermixture of fire-casualty and life, which may not suit the taste of all readers. But considering the vast amount of material in both books the buyer with an interest in only one field still gets his money's worth.

The final volume starts with an introduction by Mr. Straub who makes it clear that a great many persons have had a hand in creating the final two books—as well as the others—and that much work has been done by the department and those outside who contributed to the lectures. Sales of the tomes have been worldwide and have far exceeded expectations, he states, which is not surprising.

Most books are finished before the introduction is written. Here the introduction comes in volume 6, the last of the series. It provides the overture in its section on social, legal and economic aspects of insurance.

Robert E. Dineen, former superintendent and now vice-president of Northwestern Mutual Life, starts off the final volume with a short essay on insurance regulation as a public trust. The essay does not reflect the fire and crackle for which Mr. Dineen deservedly earned a reputation while he was superintendent. Perhaps he felt he has been so long away from the mail and fact of insurance department operation he should confine himself, as he does, to compliments and generalities. Mr. Dineen is capable of providing real assessment of the values in state regulation. He might have touched on some of its weaknesses—for all of which it is not responsible since it is a creature of and must share the character of its state government.

It would have been interesting to have Mr. Dineen tackle such questions as management vs regulation—where is the dividing line? Are security funds enough, or big enough to backstop weak companies in bad times? What are the limitations of examination in determining the actual condition of a company?

Certainly Mr. Dineen has some pertinent things to say about the greater need for dissemination of the information to the public. That is a field in which he proved himself ingenious and far-sighted by retaining a research man to do a job of public relations and public information.

Mr. Dineen does comment on the British system of supervision, which is interesting but which has never been very significant for American readers because of the substantial differences in the volume of business and in the way the businesses are conducted in the two countries. Mr. Dineen sent two of his deputies to England to look into supervision, and this at the time served its purpose. However, when Mr. Dineen comments that his deputies were impressed with the propensity of the British insurance industry to regulate itself and to exercise moderation and restraint, it is not unnatural to ask, "yes, but how easy is it for a new company to get started in Britain?"

Both Mr. Dineen and Mr. Straub comment on the over-all good relations between the department and the business.

Which brings the reader to Mr. Harris and the application of administrative law to the insurance business. This is a scholarly and thorough exposition. Mr. Harris is an administrative officer of many years experience, and after reading his essay no one doubts the very considerable powers of state regulation. In fact, this piece of work should make profitable reading for the federal trade and interstate commerce. (CONTINUED ON PAGE 26)

July 21, 1955

THE NATIONAL UNDERWRITER

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Cook County Fire, Allied Lines Totals for 1954 Are Given

Direct premiums written on fire and allied lines in Cook County, Ill., last year as reported to Cook County Inspection Bureau for assessment purposes are shown in the tabulation below. Total premiums for 1954 are \$61,813,306, as compared with \$57,048,465 in 1953.

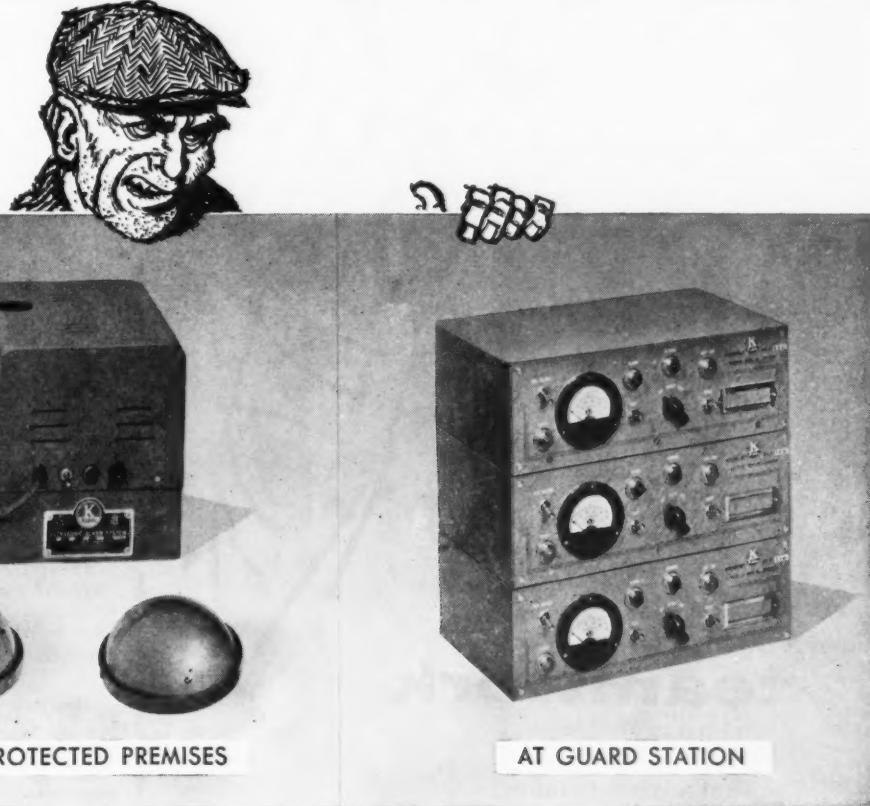
At the end of the individual company table is the list of the ten leading groups in Cook County as to total premiums.

Premiums for 1954 are shown in the right-hand column and the 1953 premiums are given for comparison purposes.

Name of Company	1953	1954
	\$	\$
Aetna Casualty	5,971	5,989
Aetna Insurance	1,177,145	1,546,471
Agricultural	185,968	217,736
Albany	123,059	89,750
Allied Amer. Mutual	14,742	10,988
American Auto	181,617	396,902
American Avn. & Gen.	259,017	154,390
American Cas.		13,465
American Central	159,136	165,434
American Druggists	87,175	100,463
American Eagle	281,813	353,354
American Empl.	19,467	27,665
American Equitable	592,643	563,144
American Farmers		
Amer. & Foreign	75,190	53,324
Amer. Hardware Mut.	56,730	67,406
American Home	14,045	71,263
Amer. Indemnity	43,339	47,158
Amer. Ins.	2,042,114	1,534,263
American Mfrs. Mut.	176,230	189,142
Amer. Merchants Mut.	16,896	17,495
American Motorist		6,926
American Nat.	140,639	130,806
American States	205	2,366
American Union	115,041	80,225
Associated Gen.	3,998	6,346
Assur. Co. of America	54,210	19,496
Atlantic Mutual	13,396	19,906
Atlas	260,382	210,960
Automobile	337,819	447,784
Badger Mutual	186,900	213,761
Bankers & Shippers	135,452	146,842
Berkshire Mutual	47,889	45,896
Birmingham	103,444	63,623
Boston	559,631	339,656
British American	19,777	16,729
British & F. M.		
British General	79,963	89,309
Buffalo		
Caledonian Amer.	17,611	17,975
Caledonian	90,223	73,630
California	60,027	68,658
Calvert		
Camden	130,197	94,500
Canadian	39,347	44,476
Canners Exchange	24,731	43,602
Centennial	136,034	190,810
Central Mutual	160,519	171,176
Central States	142,101	144,161
Central Surety		3,202
Century	103,928	77,076
Charter Oak	25,916	61,918
Church Mutual	3,769	8,344
Citizens	410,527	577,761
Columbia	138,558	149,932
Commerce		
Commercial	71,313	
Comm. Union Assur.	188,522	177,388
Comm. Union Fire	114,890	119,043
Commonwealth	265,052	287,445
Continental	1,195,247	1,512,712
Continental Casualty	34,483	233,080
Connecticut	401,307	373,654
Corbelt	2,229	3,491
Country Mutual	101,441	93,083
Cream City Mutual	40,842	35,785
Detroit F & M	198,592	203,478
Druggists Indemnity	8,413	8,812
Dubuque F & M	216,068	203,911
Eagle	9	
Economy		3,534
Empire State	121,640	102,742
Employers Fire	26,346	20,365
Employers Liab.	6,305	109,427
Employers Mut.	43,288	48,345
Equitable F&M	238,960	227,768
Eureka-Security	71,718	83,899
Excelsior	4,156	5,327
Farmers	55,358	33,241
Federal	281,451	337,948
Federal Mut. Impl.	29	571
Fidelity-Phenix	618,871	711,426
Fire Association	437,212	342,348
Fire & Cas. Conn.	1,250	
Fire Ins. Exchange	11,222	25,463
Fireman's Fund	2,247,647	3,394,430
Firemen's	1,386,042	1,399,576
First National	416,297	423,370
Florists' Mutual	5,831	9,937
Franklin National	82,450	76,085
Freeport		
Fulton	184,233	174,776
General Accident	67,954	66,610
General	194,081	239,761
Germantown		
Girard	581,923	419,292
Globe & Republic	524,955	555,391
Grain Dealers	131,333	134,799
Granite State	2,268	12,671
Great American	1,142,466	1,216,900
Gulf	37,029	37,233
Hallifax	189,103	212,785
Hanover	439	240
Hardware Dealers Mut.	350,474	298,809
	223,505	216,033

Name of Company	1953	1954	Name of Company	1953	1954	Name of Company	1953	1954
	\$	\$		\$	\$		\$	\$
Hartford	1,523,211	1,642,114	Kansas City F & M	26,877	17,709	Merchants Property	134,331	126,953
Hawkeye-Security	60,272	82,272	Law Union & Rock	209,430	208,663	Metropolitan	16,471	239,558
Home Fire & Marine	97,420	78,993	Liverpool & L. & G.	271,637	290,152	Michigan F & M	286,023	200
Home	4,215,605	4,064,043	Lloyd's of London	342,587	392,900	Milligan Millers Mut.	1,262	3,727
Homeland	30,715	1,946	London Assur.	396,325	341,848	Millers Mut.-Ill.	4,432	8,415
Home Mutual	26,832	1,435	London & Lancashire	488,231	464,445	Millers Mut. Fire, Pa.	5,800	6,005
Home Owners Mutual	320,094	370,613	London & Scottish	61,685	54,705	Millers Mut. Fire-Texas	76,838	90,321
Illini Mutual	164,244	72,445	Lumbermens Mutual	34,761	49,666	Millers National	9,455	9,286
Illinois Fire	14,167	11,303	Lumbermen's Mut. Cas.	265,386	494,429	Mill Owners Mutual	655,998	623,980
Illinois Mutual	80,944	5,796	Lumber Mutual	5,705	6,590	Minneapolis F & M	207,082	196,704
Impl. Dealers Mut.			Lutheran Mutual	40,995	43,062	Minn. Farmers Mut.	4,248	7,204
Industrial	66,494	116,407	Market Men's Mutual	258,725	283,716	Monarch	42,363	33,799
Ins. Co. of N. America	1,829,320	1,868,446	Mass. F. & M	45,710	78,037	National American	71,261	57,675
Ins. Co. of Penn.	39,721	40,467	Mechanics & Traders	231,796	199,133	National-Ben Franklin	1,065,804	1,300,930
Interstate	1,441	29,828	Mercantile	165,137	129,053	National Fire	3,725	3,770
Iowa Hardware Mut.	9,123	13,018	Merchants Fire Assur.	271,804	268,037	National Mut. Church	130,292	59,078
Jersey	42,147	34,298	Merchants Fire Ins.	958	15,410	National Surety		
Jewelers Mutual	6,292	8,760	Merchants & Mfrs.	138,794	130,292			

(CONTINUED ON PAGE 27)



No thief can beat this alarm system!

TRY as they might, thieves simply cannot fool the new Kidde Ultrasonic Burglar Alarm System! Unlike conventional devices, which furnish only perimeter protection, the Kidde system gives complete wall-to-wall, floor-to-ceiling coverage, guarding every single inch of the area you want protected!

Properly installed, the Kidde Ultrasonic Burglar Alarm System qualifies as a Class 2 installation. Filling a room with waves of sound too high to be detected by the human ear, the Kidde system protects all of the following 5 possible points of entry!

FLOORS, WALLS AND CEILINGS! Let a thief try chopping through the floor, walls or ceiling, and he's as good as in jail. Even if a thief conceals himself in the protected area, his first move will give him away. And, if power fails or someone tries to sabotage any of the system components, tamper-proof devices instantly sound the alarm!

WINDOWS! Forcing a window within the protected area will trigger the alarm immediately. Here, a thief is stopped before he starts.

DOORS! With the Kidde system on the job, the slightest opening of a door sounds the alarm immediately, stops any thief in his tracks. No way of entry here!

HERE'S HOW IT WORKS: Transmitter sends out waves of sound too high to be detected by the human ear. Receiver listens for possible disturbances of waves. If waves are disturbed in any way, electronic "brain" triggers alarm.

Operating from a standard electrical outlet, the Kidde Ultrasonic Burglar Alarm System requires no permanent, expensive wiring, can be moved from place to place with little trouble. The Kidde system is also available through Central Station and Local Alarm Companies approved by Underwriters' Laboratories. For more information on this economical, fool-proof protection, send today for Kidde's Ultrasonic Alarm System Booklet.

Kidde



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Rothschild Fire Loss at Chicago Is Fully Insured

Maurice L. Rothschild & Co. was fully insured for losses suffered as a result of a fire in its Chicago loop store shortly after the close of business last Friday.

The clothing firm's building, contents and business interruption were insured primarily in stock companies represented by Rollins Burdick Hunter Co. of Chicago.

Reporting form limits on contents are \$2½ million, the building is insured for \$2,090,000 and the firm carried \$1,900,000 of business interruption coverage.

The fire, which attracted thousands of spectators to the scene, was confined to the top floor of the building, which was not sprinklered, although most of the 13-floor building has a sprinkler system.

Fire damage to contents was limited since the top floor contained decorating, maintenance and lay-a-way departments. There was extensive water and smoke damage to contents on other floors but it will be alleviated by salvage processes.

The cause of the fire has not been determined and adjusters have not arrived at a conclusive loss estimate because of the nature of the loss.

Officials of the clothing firm estimated the loss would reach \$1 million while the fire department estimated the loss at \$500,000 shortly after the fire. The total loss will probably more closely approximate the higher figure.

Toplis & Harding, Wagner & Glidden and Western Adjustment are handling the adjustment.

Mrs. Betty Canady has been elected president of Insurance Women of Joplin, Mo., to succeed Mrs. Gladys Maynard. Other officers are: Vice-president, Mrs. Anna Budde; treasurer, Mary Ellen Dedrickson; recording secretary, Mrs. Margaret Bradley, and corresponding secretary, Shirley Sears.

Highlights of the Week's News

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Oklahoma Fire Rates Revised; Approve Deductible EC

New fire rates have been approved in Oklahoma which will have the effect of reducing premiums by \$1 million. The \$50 deductible on EC for dwellings (but not contents) has been introduced on an optional basis, and this item is of special interest because several years ago when the move began to introduce the deductible EC provision in the midwest it started in Oklahoma and was turned down cold.

The changes primarily effect frame houses with shingle roofs and some mercantile and manufacturing buildings. EC rates generally are increased, although with the deductible there is a slight decrease.

Experience for the five years ending with 1953 shows that on wind and hail the companies had losses and expenses of \$50 million as against premiums of \$39 million. More recently there has been the tornado at Blackwell, Okla., which will result in \$7 million in insurance loss.

The new EC rates on dwellings will be 34 cents with the deductible and 46 cents without. For most other property the rate is 55½ cents with the deductible and 67½ cents without.

The new rates do not apply to farm property, and the schedule excludes outdoor TV equipment, a move that has been made in many other states.

J. W. Butler, superintendent of the auto department of Oklahoma Inspection Bureau, will begin July 1 at Clinton a series of meetings with local agents throughout the state to explain the new changes, which are the first major revisions in five years and the most comprehensive change in more than 25 years. There are 11 principal changes in the dwelling schedule, and there are revisions and modernizations in the breach of warranty clause, builders' risk insurance, business interruption insurance, errors and omissions insurance, additional extended coverage, fire department service charges, grain risks, improvements and betterments, liberalization clause, minimum premiums, multiple location reporting form A, oil distributing stations, premium payment plans, rental value, term insurance and transfer of location rules.

Mrs. Gladys Brown, courtesy chairman of Insurance Women of Columbus, entertained the ladies at the annual association picnic last week. President of the Columbus women is Miss Ruth Mider.

BOND POSITIONS OPEN FOR TOP MEN

Manager—Missouri	\$15,000
H. O. Manager—Illinois	\$15,000
Manager—Oklahoma	\$12,500
Manager—California	\$12,000
Underwriter—Minnesota	\$11,000
H. O. Manager—Ohio	\$10,000
H. O. Underwriter—Conn.	\$ 8,500
Branch Manager—Illinois	\$ 8,000
Ass't. Manager—Texas	\$ 8,000
Special Agent—Illinois	\$ 7,500
Underwriter—Illinois	\$ 7,200

FERGASON PERSONNEL
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July 21, 1955

Charge D. D. Murphy, Others with Forcing Capital Life Sale

D. D. Murphy, former insurance commissioner of South Carolina and past president of National Assn. of Insurance Commissioners; G. R. P. Farquhar, president and treasurer of Guaranty Fire & Marine, now in receivership; and Bradley Layton, formerly a vice-president of the Guaranty, have been arrested at Columbia, S. C., on charges that they conspired to sell Capital Life of S. C. to United of Chicago for \$1 million less than it was worth and that they received \$80,000 for doing so.

The warrant was sworn out by the present South Carolina insurance commissioner, R. Lee Kelly.

The charges against the three men grew out of the insurance department's investigation of Guaranty F. & M.'s books and records, it was indicated. The company was declared insolvent and placed in receivership June 1 by Mr. Kelly.

In general Mr. Kelly charges that Mr. Murphy used his office to force the sale of Capital to United at a bargain price and that Messrs. Farquhar and Layton used American & Foreign Management Co., which managed the Guaranty, to conceal the \$80,000 the three received for their part in the sale.

After their arrest, the three men were released on their own recognizance. Mr. Murphy had no comment to make on the charges except to note that he and the others went to the sheriff's office voluntarily and without lawyers.

Capital Life was sold to United soon after Lester Bates, its president, lost his race for governor of South Carolina. His operation of the company was made an issue in the campaign by Gov. Timmerman, who defeated him.

The Kelly warrant alleges that principally during May, 1954, the three men "unlawfully, wilfully, corruptly and with the intent to enrich themselves and defraud" Capital Life "did conspire, combine, confederate and agree" to induce and force the officers and stockholders to sell the company to United "by having the said Murphy in his official capacity as insurance commissioner, corruptly and oppressively, and in breach of the duties imposed on him by law, to falsely represent and declare to" Mr. Bates, D. M. Winter Sr., and others that Capital "was financially unsound and subject" to receivership. He, Murphy, would have it placed in receivership unless it was immediately sold to United, the charges allege.

Further, the Kelly warrant goes on, Mr. Murphy had arranged with United or its agents to purchase Capital. Mr. Murphy represented to United that the purchase was a good thing for it and that Capital could be bought at a bargain, the charges continue.

Also, "by reason of the false representations of Murphy in his official capacity and by reason of his oppressive threats and demands," Capital was sold about June 21, 1954, to United for around \$1 million less than originally offered and less than its worth, according to the Kelly charges.

"Layton, Farquhar and Murphy, in furtherance of the common design, met secretly and furtively in the office of the insurance commissioner," in the

office of Guaranty and other places, Mr. Kelly alleges. Murphy and/or Layton met with Paul Temple, representing United, in Detroit, Chicago and Columbia.

Murphy, Farquhar and Layton received \$80,000 from Temple for putting through the sale, the charges allege. Mr. Kelly goes on: Farquhar arranged for this money to be carried through the books of American & Foreign Management Co., of which he was controlling officer, in an effort to cover the transaction. He had certain protective agreements made with Alberto

Malaret and the Anglo-Cuban Ins. Co. of Havana also to handle part of the payoff in a further effort to conceal the transaction.

Murphy, Farquhar and Layton made trips to Havana to further this design, the warrant alleges. So-called loans were made by American & Foreign to Lower Richland Bait Co., a corporation wholly owned by Layton and Murphy, all in an effort to disguise, confuse and cover up the receipt of the money and its disbursement to Murphy, Farquhar, Layton and others. Further, these "agreements and con-

federation and the acts in pursuance thereof constituted a conspiracy to bring about the aforementioned malfeasance in office by the said Murphy, and had the said effect."

Announcement was made this week that Mr. Murphy, who is vice-president of Columbus National Life of Columbus, Ga., affiliate of Coastal States Life of Atlanta, has been appointed executive director of National Assn. of Life Companies, Atlanta.

Robert H. Winn has become a general partner of the Gooch & Co. agency of Charlottesville, Va.



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Three Pass Fellow Tests of Casualty Actuarial Society

Three greater Hartford men, who have passed examinations to become fellows in the Casualty Actuarial Society, are Allie V. Resony of Hartford Accident and Robert B. Foster and Paul S. Liscord of Travelers.

Ward Van Buren Hart Jr. of Aetna Fire group, James H. Woodworth of Hartford Accident and James W. Thomas of Travelers have passed parts of the 1955 fellowship examinations.

Mr. Resony has been with the Hartford Accident actuarial department since 1946 and Mr. Foster and Mr. Liscord have been with the casualty actuarial department of Travelers since 1949 and 1948, respectively.

Mr. Hart is in the rating division of the compensation and liability department of Aetna Fire group, which he joined in 1950; Mr. Woodworth has been with Hartford Accident since 1949 and is now in the actuarial department and Mr. Thomas has been in the fire and marine actuarial department of Travelers since 1946.

Toastmasters Chapter Formed by AIU Group

A chapter of Toastmasters International, first one organized among New York insurance offices, has been chartered by a group of executives and staff members of American International Underwriters and affiliated interests, with Winthrop Clement, public relations manager of AIU, as president.

Other officers are John T. Hughes, AIA casualty underwriter, educational vice-president; James S. Clancy, AIU-C.V. Starr & Co. salary and personnel services manager, administrative vice-president; John F. McLaughlin, assistant to the AIU president, secretary; Alfred Weber, AIU treasurer and C. V. Starr & Co. controller, treasurer, and Joseph A. Nonnenmacher, manager of AIU methods and procedures department, sergeant-at-arms.

The chapter, to be known as AIU Toastmasters, will hold weekly meetings and members have an opportunity to acquire and practice proficiency in public speaking and leadership.

Frank C. Colridge, secretary-general manager of the Pacific Board, was speaker at a luncheon meeting of Insurance Personnel Management Assn. of San Francisco.

Jail Term Is Given Blackmailer of Ex-Wife Who Embezzled \$100,000

An eight to 16 year prison term and a \$300 fine were imposed in Lancaster, Pa., on John F. Huber, 49, of York after he pleaded guilty to blackmailing his former wife of \$100,000 in eight years. She is charged with embezzling the money from Darmstaeter appliance and variety store in Lancaster. It was not immediately known if the loss was insured.

Mrs. Kathryn Rita Hassel, 44, who is charged with embezzlement, had worked at the store 26 years. She began giving money to Huber during their secret marriage, which took place 10 years ago, police said. She started giving him the money so he would agree to a divorce, which took place in 1947.

Mrs. Hassel continued to pay her ex-husband, police said, because he threatened to tell her mother of the marriage and two alleged illegal operations.

Huber's father, Frank, 70, also faces court action. He is charged with accepting some of the money.

Exception Deadline Extended on Travelers TV License Hearing

WASHINGTON—Federal communications commission has extended to July 21 the period in which exceptions may be filed to Examiner Litvin's decision in favor of Travelers application for a license to operate a television station in the Hartford area.

The request for the extension was made by Curtis Plummer, chief of FCC's broadcast bureau, which occupies status similar to that of other parties in a TV license case. Mr. Plummer's request does not necessarily mean that the bureau is opposing the decision. Such a request might be made if the bureau was only in disagreement with the language of the decision.

Because of the extension of time, Leo Resnick, counsel for Hartford Telecasting Co., rival applicant for the license, has delayed filing his exceptions and supporting brief.

Thomas M. Reardon has been named vice-president and general manager of Stanton agency of Kansas City. In the business for 16 years, he entered it with Central Surety as an underwriter, later became an underwriter and field representative for Employers Mutual Fire and for four years headed Reardon agency. He has also been with C. O. Jones & Son agency and Thomas McGee & Sons agency at Kansas City.

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July 21, 1955

LEGISLATIVE REPORT**Mich. State WC Fund Draws Praise as Aid to Insurance**

LANSING—Michigan's state accident fund won praise as having a generally wholesome effect on workmen's compensation insurance throughout the state in a report by a special legislative committee.

The committee had heard a number of witnesses at several hearings and conferences, among them William C. Bishop, manager of the fund for 17 years; Arthur Cowlin, manager Michigan Workmen's Compensation Rating Bureau and Michigan WC Assigned Risk Plan; Waldo O. Hildebrand, secretary-manager Michigan Assn. of Insurance Agents; Theodore Ryan, chairman state workmen's compensation commission, and Eugene N. Houck, Lansing agent.

The report comprehensively analyzes the fund's organizational set-up and its plan of operations. It was found the fund handles 8.4% of the state's WC volume but has about 10% of the insured in the category to which its operations are limited. Its premium volume for 1953, the last year for which figures are available, was \$41,622,272 when it had 8,675 policyholders.

The fund's facilities, in competing for business with 120 insurers, are utilized mainly by small businesses, it was noted, with about half of insured paying premiums of less than \$100. The fund accepts nearly all risks, showing restraint only relative to industries having occupational disease risks of such a character as to "cause catastrophic losses." The fund and one other insurer write 95% of the coverage for the logging and lumbering industry, and the fund also "accepts risks in new or experimental types of business more readily than do private companies," the report stated.

The extra-hazardous occupational disease risks are chiefly in the field of dust diseases, the report noted, citing the case of a steel castings company which was insured with the state fund and, when the foundry closed after it had been insured for less than six months, claims amounting to more than \$600,000 were filed by employees having silicosis, pneumoconiosis, fibrosis and similar ailments and their sequelae. The report states flatly: "That kind of risk should be spread over the whole insurance industry because in the case of a major recession it could bankrupt any one organization." The assigned risk plan, absorbing this class of business, has 435 risks of a total of some 83,000 in the state.

The fund charges standard rates but refunds 10% dividends regardless of individual loss rates. The fund has the power to increase rates, has not done so since joining the assigned risk plan, but may not reduce them. Its rates fall about midway between stock and mutual. It writes all business of state institutions, departments and bureaus, that accounting for 7.1% of its volume.

The fund pays taxes on the same basis as mutuals and pays the state business receipts tax. Since the state has no financial interest in the fund, operations being conducted entirely on premium money, its facilities are advantageous to the state itself as its business is written on a 25% loading charge basis, above actual losses, and the state pays its premiums belatedly, usually from six months to a year after

the loss statements.

The fund has been soundly operated, particularly by its present manager, it was noted, and has never "failed to pay an undisputed claim," National Assn. of State Funds cited the Michigan fund three years ago as the best-administered in the nation.

A noticeable lag in payment of uncontested claims was explained as due largely to the fact that many insured are slow in reporting claims. Where there is basis for contest, the fund has followed about the same policy as private insurers, it was noted, but has

a higher percentage of supreme court victories in appealed cases.

It was noted that "no private insurance company objected to the committee regarding the continued existence of the fund. On the contrary, spokesmen for the industry stated positively that existence of the fund is good for private companies." The fund has no agents, is not aggressively competitive but "stands ready, willing and able to take the risks which are submitted to it by agents who cannot or do not find a place to satisfactorily put them."

Availability of the fund allows stock agents an opportunity to compete on fairly even terms with mutuals. The fund receives business from some 2,000 Michigan agents, and pays 10% commission.

"Opinions were expressed to the committee," the report states, "that if the fund were converted into a private concern it would almost certainly gravitate away from small risks. This would force more employers into the assigned risk plan. Such conversion would also make the fund more aggressively competitive."

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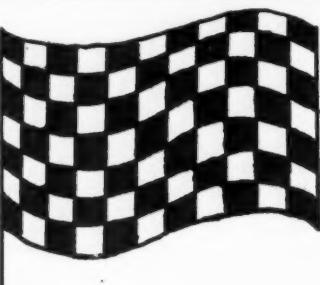
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Jochen Executive V-P of American

Directors of American have elected Bert A. Jochen executive vice-president. He has been a vice-president since 1947. He is a native of Ohio and a graduate in engineering of Ohio State University. He served with Ohio Inspection Bureau 1921-1924, when he joined the western department of North America at Chicago as production engineer. Transferred to Omaha in 1930, he became secretary of National Security and field superintendent of the other North America companies. In 1935 he joined Eagle Star as assistant U. S. manager.

In 1941 Mr. Jochen went with American and was made manager of the western department at Rockford, Ill., in 1943. He was elected a vice-president in 1947 and transferred to the home office. In 1954 he was elected a director of Bankers Indemnity, casualty affiliate of American.

Proposed WC Rate Increase Studied in Oklahoma

Oklahoma insurance board has taken under advisement two applications by National Council on Compensation Insurance to increase WC rates a total of 11.3%. Opposition to the rates was made by E. J. O'Connor, executive vice-president of Associated Oklahoma Industries, and Joe Shelton, Dallas attorney and secretary of Oil Drilling Assn.

William Leslie, manager of national council, explained the new rates at a hearing. One proposal is for a 7.2% increase on the basis of experience in the last three years, with an effective date of October 1, and the second is for a 4.1% increase to compensate for benefit increases adopted by the recent legislature. The new legislation requires payments by insurers and a special indemnity fund, and enables an injured worker to collect compensation for the first five days of disability if he is disabled for more than five days. This would eliminate the waiting period on extended disability.

Ohio Agents Plan Group Trip to NAIA Convention

Ohio Assn. of Insurance Agents is sponsoring a special trip to National Assn. of Insurance Agents meeting at Los Angeles, including the Ohio State-Stanford football game and a stop-over at Las Vegas.

The special cars will be made up at Chicago Sept. 9, arriving San Francisco Oct. 1. The football game will be played at Palo Alto that afternoon, the party proceeding to Los Angeles via sleepers, arriving the following morning. The party will leave Los Angeles the following Thursday morning, arriving in Las Vegas that evening, leaving Las Vegas the following evening and arriving in Chicago Sunday evening, Oct. 9. The tour is being offered on an all expense basis, except for the period of the NAIA convention.

Security, Conn., Opens Enlarged K. C. Offices

Security-Connecticut group has opened new, enlarged Kansas City offices under the joint management of Emil P. Janousek and Joseph C. Hupp. James Owen is underwriter and James E. Harper and Charles B. Frazier are state agents.

Aero Associates Has Braniff Cover

Aero Associates carried the insurance on the Braniff airliner which crashed Sunday just before landing at Midway airport in Chicago. Twenty-two persons were killed and 21 were injured.

The hull is worth about \$650,000. Aero has the primary coverage and Stewart Smith handles the excess on Braniff. The business is brokered through Alexander & Alexander of New York.

Braniff Airways, incidentally, was founded by T. E. Braniff of Oklahoma City who died about a year ago and was one of the most prominent local agents in the country.

When the plane came in low for a landing, one of its wings hit a gas station sign across the street from the airport, and it crashed in the street and tumbled across the airport.

There is a \$20,000 wrongful death limit in Illinois. The last legislature raised it to \$25,000, but the new limit is not yet effective.



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✓ Because the policy covers disappearance and destruction (including fire) as well as theft it has to be carefully sold. Not all who would want it can buy such a policy. But "Shelby" agents are finding that it pays to offer it to clients who meet reasonable underwriting requirements.

THE Shelby Mutual

INSURANCE COMPANY OF SHELBY, OHIO



July 21, 1955

NATIONAL UNDERWRITER

9

Interbureau Files All Risks Form for Dwelling Policy

NEW YORK—In an extensive round of changes affecting the comprehensive dwelling policy, Interbureau Insurance Advisory Group has filed in California an all risks form for use with the policy, expanded eligibility to four-family, owner-occupied dwellings, set up a means of writing CDP for tenants, increased the discount applicable to fire and allied lines, cut the theft requirement considerably and made several other changes, such as an endorsement for certain business and professional occupancies and another providing theft coverage on doctors' kits, etc., away from the premises.

Introduction of the all risks form—which corresponds with the dwelling buildings special (all physical loss) form now available through fire insurance rating organizations of most territories—closes what has been regarded by many as an important competitive gap between the Interbureau policy and Multiple Peril Insurance Rating Organization's homeowners policy B. A similar form has been available with the MPIRO contract since last fall, but, until now, there was no special appeal in the Interbureau contract for the "all risks" market.

The new form still does not go all the way—nor does the similar endorsement for Homeowners B—since it applies only to buildings and time element covers. MPIRO gets to at least somewhat more of the "luxury market" through homeowners C which is all risks generally, its personal property feature being fairly close in coverage to the blanket (unscheduled) section of the personal property floater.

Heretofore, eligibility for the CDP was restricted to owner-occupied one or two family dwellings. The maximum number of families has been increased to four—though there is still the requirement that the owner live in the place. Now, however, a joint owner who lives away from the premises may be insured.

Interest in package policy protection for residents of apartments or other rented quarters was stimulated last fall when Chubb brought out its tenants insurance policy. Since that policy employs the indivisible premium principle used with the homeowners policies, many insurance men thought MPIRO would be the first of the organizations to come out with a tenant package. This is not the way it happened.

The basic CDP is to be used for tenant risks—insured living in apartments, rented private dwellings or, apparently, even hotels—with a separate broad fire and allied lines form covering contents only, though including off-premises and additional living expense extensions. Essentially, the new contents-only broad form is the dwelling buildings and contents broad form, minus the building item, the rental value and replacement cost extensions and other features which have no relation to contents coverage. A 10% improvements and betterments extension is included and additional living expense is 20%, both based on the contents amount.

The contents-only broad form is also prescribed for use with risks where the

buildings are covered by the all risks (special) form. In this situation, the additional living expense extension of the broad form is inapplicable and the combination additional living expense-rental value extension of the special form applies.

A source of considerable customer resistance to CDP has been the requirement—for premium discount—that the insured carry, in addition to other features, premises theft insurance in an amount of 30% of his personal property values. This requirement has been reduced to 20% and, for larger

risks, if \$10,000 is less than 20%, \$10,000 will do. Going still further, Interbureau has authorized writing as little as \$1,000 premises theft insurance, with the theft discount cut from 30% to 10% in such cases, without affecting the insured's eligibility for discounts on the other coverages.

The fire and allied lines discount is now 25%. It had been 15%.

Republicans Want It Too

Walter J. Mahoney, Republican majority leader of the New York senate and Oswald D. Heck, assembly speaker,

appearing before the joint legislative committee on unsatisfied judgment finds at a meeting in Albany, urged that some plan be presented to the 1956 legislature that would produce more protection for motorists against uninsured drivers.

Prudential Promotes Ronald Esti

Prudential has named Ronald Esti head of Prospect Park district in Brooklyn. He succeeds Albert P. Fabre, who has been appointed manager of Brooklyn Marine Park district.

Mr. Esti joined Prudential in 1930 at Hoboken, N. J., and later served as staff manager.

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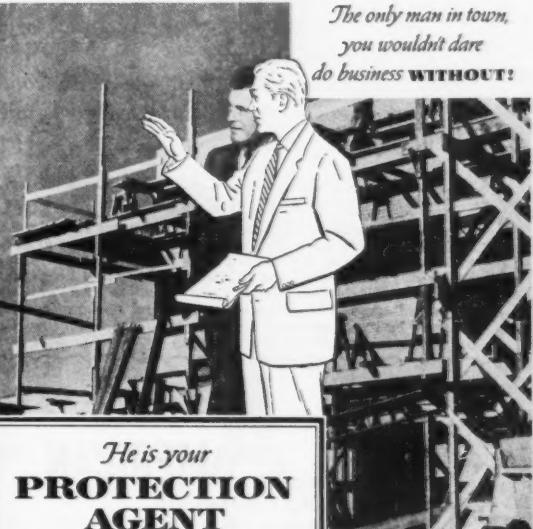
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theft and fire alarms to prevent damage.
But should losses occur the
NHG man still protects you!

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passed an examination, is licensed by
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for you, evaluates your risks, advises
how much coverage you need.

Then he writes up a policy or policies,
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He has the knowledge to select companies (a) with ample resources
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Hartford Accident Launches New A&H Unit; Quigg Head

A new accident and health department has been framed as a major production and underwriting division of Hartford Accident. Secretary Daniel H. Quigg will head operations of the new department.

Mr. Quigg, who has been in the agency department, will have as principal assistants Assistant Secretary Neil J. Brown, head of the personal insurance division, and Willett K. Boger Jr., who has been



Daniel H. Quigg



Neil J. Brown



Willett K. Boger Jr.

in the group divisions and has been promoted to assistant secretary. Employees of the individual and group divisions will form the nucleus for the development of the enlarged organization.

Mr. Boger has been manager of the group disability department since 1949. He previously had eight years with Prudential as manager of the group division at the western regional office, manager of the New Jersey TDB division of Continental Casualty, and life and group department manager of De Lancy, Kipp & Sturhahn of New York City.

Vice-president Harry V. Williams, will work with Mr. Quigg as consultant and adviser. He is also establishing a special unit in the actuarial department to provide rating service and underwriting assistance.

The company has been in personal

A&H on a selective basis since 1913 and it entered the group disability field in 1949. In 1954 premium income of personal and group lines aggregated more than \$7½ million.

Truck Cargo Thefts Continue to Climb, But Fur Losses Down

Truck cargo thefts continue to increase, according to Cargo Protection Bureau, with this year's aggregate expected to reach a record \$125 million, compared with not much over \$20 million 10 years ago.

However, the bureau, which is sponsored by Babaco Alarms Systems, noted in its annual truck cargo theft survey that fur thefts, once the leading problem on the books of truckers, shippers and insurers, are today largely under control due to the wide use of truck burglar alarms on vehicles carrying such cargoes.

Twenty-five years ago there were many areas where it was virtually impossible for fur shippers to obtain transportation insurance on their cargoes due to the peak loss rate at that time, but today, with fur shipments surpassing the expectations of anyone associated with the business 25 years ago, the movement of furs is made with a relatively small loss and is fully insured.

The bureau also notes that the increase in truck cargo thefts is due to many factors, including the fact that the number of trucks rolling has more than doubled, the average truck size, and hence cargo capacity, has increased materially, the length of haul, and hence of exposure, has risen and the cargo values have at least doubled.

All of this has pointed to a natural increase in truck cargo theft totals from natural causes, the bureau reported, but there has been added the greatest crime wave in the country's history. Consequently, truck cargo thefts have shown a much greater than average increase.

This has resulted even though efforts have been made by many truckers and shippers to surround their cargoes with every possible safeguard. The unprotected loads of those not using these safety measures have contributed to the huge increase in thefts.

Maurice Medlen, formerly a fire underwriter at the home office of Western Pacific, has joined the Roger J. Bounds agency in Hermiston, Ore. He succeeds George E. Wood as manager. Mr. Wood resigned to form his own agency in southern Oregon.

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July 21, 1955

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Agent Pays for Policy, Insured Doesn't— No Coverage

PIERRE, S.D.—Standard Casualty has won a decision in the South Dakota supreme court under which it need not pay a claim of Mrs. Adell M. Boyd on a policy which had not been paid for by her. Mrs. Boyd claimed damages in an auto accident in 1952, contending her possession of the policy indicated she was insured. The premium had been paid by the agent.

However, the supreme court ruled in favor of the insurer, holding that mere receipt and retention of a policy does not indicate acceptance of the company's offer to insure.

Hartford Accident Advances Three

Hartford Accident has advanced Robert B. DeVore, Cincinnati manager, to secretary at the home office, and Arthur A. Hansen, director of engineering, to assistant secretary.

Mr. DeVore had been manager at Cincinnati since 1940. He will take up



Robert B. DeVore



Arthur A. Hansen

administrative duties in the agency department at the home office where he will be associated with Vice-president Frank C. McVicar. He entered insurance with Fidelity & Casualty and joined Hartford Accident as a bond special agent at Philadelphia in 1926. He was later special agent in New York State and at Detroit.

Mr. Hansen joined the company in 1927 and has been a field engineer in several branches, district engineer at Kansas City and supervising engineer at the home office. He has been director of engineering since 1953.

Robert F. Lloyd has been appointed manager at Cincinnati to replace Mr. DeVore. He had been assistant manager there from 1950. He will supervise company operations in southwestern Ohio, Kentucky and Tennessee.

He joined the company in 1939, after study at Wharton school, as a special agent in the personal accident department at Indianapolis. Subsequently he served in that capacity at Detroit, St. Paul and Cincinnati. In 1940 he became all lines special agent in Tennessee. After military service he went to the Cincinnati office as special agent in southwestern Ohio and was promoted to superintendent of agencies in 1948.

Herndon to Talk at Dallas

DALLAS—Maurice G. Herndon, Washington representative of National Assn. of Insurance Agents, will be the speaker at a meeting here Sept. 27 celebrating the 25th anniversary of Dallas Assn. of Insurance Agents.

Pa. Revises WC Rates

Commissioner Smith of Pennsylvania has approved a revision of workmen's compensation rates, effective July 1,

that will have the effect of a \$2.4 million reduction in premiums in the next fiscal year. Average reduction in rates for classifications in the manufacture and utilities group was 4.5%, in contracting and quarrying 7.8%, and other industries 3.1%. Rates for classifications in the federal industry group were increased on the average by 10.3% as the group was only recently established and studies indicate increases are warranted.

Robert A. DeLorenzo has joined R. E. Anderson & Co. at Tacoma. He has been with Washington Surveying & Rating Bureau.

Allstate to Sponsor Army-Navy Game On Mutual Network

Allstate will sponsor the radio broadcast of the Army-Navy football game to be played in Philadelphia Nov. 26.

The annual series, instituted in 1890, will be broadcast coast-to-coast on Mutual Broadcasting System's 560-station network and carried on short-wave stations to military personnel overseas.

Last year Allstate sponsored 15-

minute programs before and after Mutual's world series broadcasts.

Plan Ohio Agents' Annual

The annual meeting of Ohio Assn. of Insurance Agents will be held Sept. 12-14 at the Sheraton-Gibson Hotel, Cincinnati. Robert M. Bell of Springfield has been nominated for trustee to succeed B. W. Phelan of Versailles and R. H. Levering of Cleveland has been nominated to succeed Charles F. Stewart, deceased.

David S. Donnellan has purchased the L. G. Stanely & Co. agency at Eau Claire, Wis., and will continue the business at the same address.

HOW DO YOU STAND?

It is not enough for your own agents to know that your company is "all right." The public gets its impressions of any company from the whole body of agents and brokers, including thousands who do not represent it, and yet are answering inquiries about it.

The agency list of any company is really very small compared to the total number of agents and brokers in the United States. It is assumed that a company stands well with its own agents, but how does it stand with the thousands of others who do not represent it, but from whom the public is most likely to get its impressions?

After all, if an assured wants to get an unbiased opinion of a company, that opinion is sought among those not representing the company. Those representing it are known to be prejudiced in its favor.

How do you stand among the agents and brokers of the country that do not represent you? What do they say about you? What have you said about yourself in the advertising pages of The National Underwriter? Are you "well and favorably known" to them through the advertising you have done, or do they have to hesitate and stall when your name is mentioned?

If they do it is costing you money. It is costing you a great deal more than the money you think you are "saving" by not advertising in The National Underwriter. The progress of a company that is unknown to the rank and file of agents and brokers is slow and difficult—against the current. No company should impose this extra burden upon itself when it can be removed by regular advertising in The National Underwriter.

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Number 28 of a series.

Moore Out as Alaska Commissioner, New Board Takes Over

Neil Moore, territorial auditor and ex-officio insurance commissioner, was ousted as insurance commissioner of Alaska as a result of an opinion by Attorney General J. Gerald Williams. Succeeding Mr. Moore temporarily, according to the opinion, is John McKinney, director of finance for the territory.

At the same time, Mr. Williams clarified the atmosphere with respect to the status of the new Alaska insur-

ance commission, created by legislative enactment in the 1955 session. Mr. Williams held the governor of the territory could appoint a commission and the commission could serve until the next session of the legislature, even though the law provides that the appointments must be confirmed by the legislature.

Queried as to whether he would contest the attorney general's ruling, Mr. Moore said he felt he had no basis for doing so. As a result, an expected legal skirmish will not materialize.

The Alaska insurance commission, which took office July 1, but whose status appeared to be in doubt until the ruling, includes John O'Shea,

Anchorage (representing the life industry); Kenneth A. Murray, Fairbanks agent, and Curtis G. Shattuck, Juneau (fire and casualty), Ben Crawford, Anchorage banker, and T. S. Ganty, Pelican (representing the public).

Queried as to the status of the countersignature law, also enacted by the 1955 legislature, Mr. McKinney said an announcement soon would be made. It will be recalled that Commissioner Moore declared the 5% counter-signature law unenforceable and therefore invalid. Last month, Mr. Williams held to contrary, although Mr. Moore did not announce a reversal of his order. Mr. McKinney said the pronouncement, which was expected any day, would clarify the status of the countersignature law.

Miss Musante Resigns from Allston-Musante

Miss Marion L. Musante has resigned effective Aug. 12 as vice-president, secretary and a director of Allston-Musante Associates, New York advertising counsellors, to return to her former profession as an educator. She has been with the agency 10 years.

Beatrice, Neb., Agents Elect

Robert M. Penner has been elected president of the newly-formed Beatrice (Neb.) Assn. of Insurance Agents. C. M. Reed is vice-president and Jeff Weston is secretary-treasurer.

Officers of the state association attending the meeting were Charles Kahrhoff of Grand Island, president; Fred Parker of Nebraska City, 2nd vice-president, and Leo Beck of Lincoln, treasurer.

Sticker for Motorists

Insurers of Memphis has designed and is distributing to policyholders a bumper strip in black and gold bearing the slogan "Insuror Insured". Each emblem comes in a printed glassine envelope. Advantages of these stickers are for emergencies, to indicate to any passing "insuror" that the owner is entitled to his help and to indicate to every other driver that the owner's car is reliably insured, the agents' organization states.

The Memphis group—701 Union Planters Bank building, is making the sticker available to other insurer groups at a quantity price to obtain maximum circulation.



Yes, Mr. Greeley—North, South, East or West, there's opportunity for the man, young or old, who can offer something better.

And, insurance agents everywhere are finding new opportunity selling the multiple line facilities of Dubuque Fire & Marine. These agents provide the range of coverage their clients want, more efficiently, more profitably.

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Phoenix of Hartford Promotes Two in Cal.

Phoenix of Hartford has named James R. Smith assistant district manager at San Diego and Robert H. Dart assistant supervisor of the casualty and surety division at Los Angeles.

Mr. Dart, formerly special agent at San Diego, succeeds Mr. Smith at Los Angeles.

Maine Approves \$189,599 Premium on Buildings

A total premium of \$189,599 representing \$21,545,600 in fire policies on state buildings has been approved by Gov. Muskie of Maine and his executive council. Placed for three years, the coverage is about one-third of the state's total fire insurance. The business is placed with one key agent in each councillor district and he in turn subdivides it among other agents in the district.

More States OK State Farm Plans

State Farm has had its automobile BI and PHD rating plans approved in Georgia and Pennsylvania. The filing, the company estimates, will reduce rates more than \$540,000 annually in the two states.

The interest of Ray Berkey in Berkey-Gilbert Co., Portland, Ore., general agency, has been purchased by Vern T. Gilbert.

New Hand-Book Out for Southern Cal., Ariz.

A new up-to-date Underwriters' Hand-Book of Southern California and Arizona has just been published by the National Underwriter Co. This Hand-Book, together with its companion volume, the Underwriters' Hand-Book of Northern California and Nevada, published a few weeks ago, will provide complete information on the agencies, companies, coast department field men, general agents and brokers, together with data concerning groups and all organizations affiliated with insurance throughout these three states. The dividing line in California is at Kern and San Luis Obispo counties, which are shown in both volumes for the convenience of users of each.

Premiums and losses by lines within California for all fire and casualty companies, and life insurance paid for and in force for life companies, will also be presented in a special statistical supplement which will be sent later to all subscribers for either California Hand-Book. Orders for the two Hand-Books, which are now available, should be addressed to The National Underwriter Co., 420 East 4th Street, Cincinnati, or at the Pacific Coast office, 507 Flatiron Building, San Francisco. Price \$15 each.



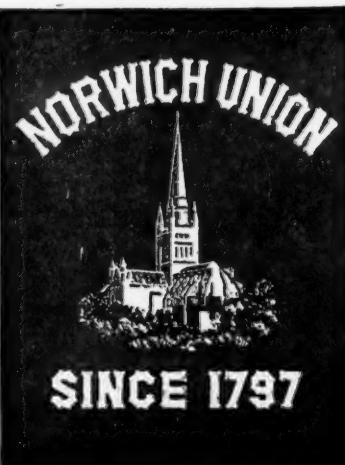
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GA. ASSN. SURVEY**Agent Licensing Practices Show Modernization Need**

In an age of streamlining business operations, eliminating paper work and reducing costs, insurance departments would do well to review their methods of issuing licenses and certificates of appointments to agents, it is revealed in an independent survey of licensing procedures conducted by George Fairleigh, executive secretary of Georgia Assn. of Insurance Agents.

Of the 32 state association secretaries replying to his inquiry, only nine said that their states issue only one license to an agent regardless of the number of companies he represents. Most of these states have a continuous license procedure, under which the appointing companies certify annually to the insurance department their lists of agents. Records of these certifications are kept on the agent's file in the department's office.

In the other states, not only do some issue an agent's license, but each agent receives from the insurance department a certificate attesting to the fact that a certain company has appointed or has continued his appointment as an agent.

If an agent in these states represents twenty companies, he then receives 20 certificates. In one state the felony is compounded by the commissioner sending the agent two certificates, fire and casualty, if the company he represents is a multiple line company, Mr. Fairleigh comments.

State association secretaries and many insurance departments that transmitted joint replies to the survey are almost unanimous in the suggestion that the individual certificate idea must go. In one state 125,000 certificates are issued to 25,000 agents, thus imposing a great clerical and mailing burden on its insurance department.

In three of the states where individual certificates are issued, the insurance departments ease the task by returning the annual certificate forms to the companies for distribution to their agents. Most states send the certificates direct to the agents licensed.

Though some state licensing laws would have to be amended to adopt the continuous license form, arguments were presented that as long as the agent is once qualified and certified by a company for the type of insurance for which he is licensed, and if the insurance department keeps a record of the companies for which the agent is licensed, there should be no need for the agent to be officially apriized of a fact which he already knows.

In one state the law requires that the agent have licenses in his possession at all times for all companies represented by him. In another state, these certificates must be "prominently displayed." For agents representing 20 to 30 companies, the legal demand is preposterous, Mr. Fairleigh believes.

The nine states in the survey which have eliminated sending agents annual certificates for each company represented are Arizona, Arkansas, California, Connecticut, Michigan, New Jersey, Oregon, Texas and Washington. All other states send out a multiplicity of license certificates, with Iowa, Rhode Island and South Carolina relieving half the burden by re-

turning the certificates in bulk to the companies for distribution to their agents.

Several interesting questions were raised in the survey. One was that since the agent is a representative of the company and is responsible directly to that company, he must be licensed for the individual company. The continuous license procedure does not eliminate this fundamental. The agent is still licensed directly for each company he represents, but he obtains only one license and the names of companies he represents are kept on his file in the insurance department.

In some states there arose a question as to possible loss of license tax income. It appears that the single, continuous license procedure works best in states that apply a direct license or occupation tax on the agent regardless of the number of companies represented, and tax the companies for so much an appointment. In New Jersey companies pay only for the original appointment.

Another state claimed that the only way the single license procedure would work is through a broker law, under

which the license would be permitted to represent any and all companies. This was considered beside the point as the question concerned only the licensing of agents, and not brokers. Many states by law or department interpretation permit agents to broker business with any other agent licensed for the same type of insurance, without obtaining a broker's license.

So far as the public being assured that the agent is licensed for the company represented by the agent, one good suggestion was made that the single license form or card sent to the agent state that the individual is licensed for insurance companies as carried on the records of the insurance department.

Kansas, among other states, is developing IBM equipment services to help reduce the work-load in recording and issuing licenses and certificates, but the multiple licensing and certification handicap still remains.

Pa. Adjuster License Bill

A bill to license independent insurance adjusters in Pennsylvania has been introduced in the senate. Com-

pany adjusters, agents who receive no pay for adjustment work, attorneys, average adjusters, adjusters of cooperative fire and windstorm companies or agents of life companies who receive no adjustment pay would not be affected.

An annual license fee of \$25 a year is provided. The licenses would be issued by the insurance department. The bill was referred to the senate committee on insurance.

Small Named Ore. Manager for Great American Group

Great American group has named Carl R. Small manager at Portland, Ore., to succeed Donald H. Reynolds, who has been transferred to Los Angeles.

Mr. Small joined Great American in 1942 and was assistant manager at Los Angeles. He was with Pacific Fire Rating Bureau before joining Great American.

Oklahoma NACCA Group Elects

Negligence & Compensation Lawyers Assn. of Oklahoma has elected Preston Moore of Stillwater as president, George Bingaman, Purcell, vice-president, and Paul Pugh, Oklahoma City, treasurer.

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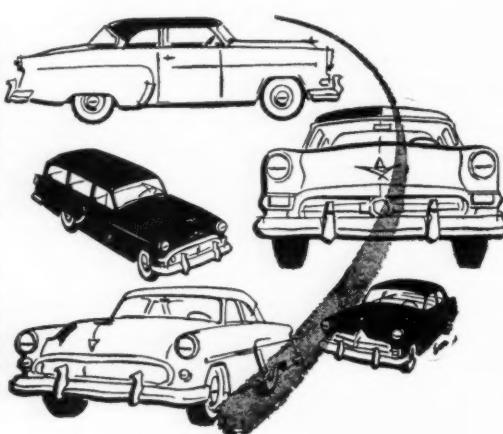
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Convention Dates

Aug. 7-11, Honorable Order of Blue Goose, Grand Nest, Muehlbach hotel, Kansas City.
Aug. 14-17, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 17-20, Federation of Insurance Counsel, annual, Sheraton Park hotel, Washington, D. C.

Aug. 21, American Bar Assn. insurance law section, annual, Philadelphia.

Aug. 22-23, South Dakota Assn. of Insurance Agents, annual, Rapid City.

Sept. 5-7, International Federation of Commercial Travelers Insurance Organizations, annual, Sun Valley Lodge, Sun Valley, Idaho.

Sept. 11-13, Pennsylvania Assn. of Insurance Agents, annual, William Penn hotel, Pittsburgh.

Sept. 11-14, Idaho Assn. of Insurance Agents, annual, Sun Valley Lodge, Sun Valley.

Sept. 12, Vermont Assn. of Insurance Agents, annual, Lake Morey Inn, Fairlee.

Sept. 12-13, Utah Assn. of Insurance Agents, annual, Ben Lomond hotel, Ogden.

Sept. 12-14, International Claim Assn., annual, Lake Placid Club, Lake Placid, New York.

Sept. 12-14, Ohio Assn. of Insurance Agents, Sheraton-Gibson hotel, Cincinnati.

Sept. 14-16, Illinois Assn. of Mutual Insurance Companies, annual, Pere Marquette hotel, Peoria.

Sept. 14-16, Maine Assn. of Insurance Agents, annual, The Samoset, Rockland.

Sept. 14-16, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 15-16, New Jersey Assn. of Insurance Agents, annual, Chalfonte-Haddon Hall, Atlantic City.

Sept. 15-16, Minnesota Assn. of Insurance Agents, annual, Hotel Kahler, Rochester, Minn.

Sept. 15-17, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

Sept. 15-17, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings.

Sept. 18-20, Washington Assn. of Insurance Agents, annual, Leopold and Bellingham hotels, Bellingham.

Sept. 19-20, Minnesota Assn. of Mutual Insurance Agents, annual, Leamington hotel, Minneapolis.

Sept. 19-21, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea hotel, Portsmouth.

Sept. 20-21, South Carolina Assn. of Insurance Agents, annual, Columbia hotel, Columbia.

Sept. 20-23, Mutual Loss Managers Conference, Chicago.

Sept. 22-23, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.

Sept. 25-27, Kentucky Assn. of Mutual Insurance Agents, annual, Kentucky hotel, Louisville.

Sept. 26-27, Mutual Agents of New England, Hotel Somerset, Boston.

Sept. 26-28, Bureau of Accident & Health Underwriters, annual, Mount Washington hotel, Bretton Woods, N. H.

Sept. 28-30, Society of Chartered Property & Casualty Underwriters, annual, Fairmont hotel, San Francisco.

Sept. 29-Oct. 1, Nevada Assn. of Insurance Agents, annual, Sahara hotel, Las Vegas.

Oct. 2-5, National Assn. of Casualty & Surety Agents, annual, The Greenbrier, White Sulphur Springs, W. Va.

Oct. 3-6, National Assn. of Insurance Agents, annual, Statler and Biltmore hotels, Los Angeles.

Oct. 3-6, California Assn. of Insurance Agents, annual, Biltmore and Statler hotels, Los Angeles.

Oct. 9-12, Conference of Mutual Casualty Companies, Jefferson hotel, St. Louis.

Oct. 9-13, National Assn. of Mutual Insurance Companies, annual, Jefferson hotel, St. Louis.

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Hartford Steam Boiler's reputation and success is built on specialized service in just one line: Boiler and Machinery Insurance. And because of the technical nature of this line there are many services which can be rendered only by Company specialists.

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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Survey of Fire, Auto Insurance Buyers Indicates Few Are Solicited by Agents

Farm Journal, Inc., publishers of *Farm Journal* and *Town Journal*, has completed a detailed study of its subscribers, countrywide, to determine ownership patterns, sales potentials, buying practices, preference and opinions on the subject of fire and casualty insurance.

Among the findings brought out by the survey was that while almost 98% of those owning their own homes carry fire insurance, from 53 to more than 60% do not carry extended coverage on the building.

On contents of homes about 82% carry fire insurance but about 50 to 60% do not carry EC. The *Farm Journal* replies indicated that only 1.8% carry fire, EC and theft, while 2.4% of *Town Journal* subscribers carried those three coverages.

Subscribers were asked if they owned business buildings, in addition to home and farm buildings. Those with fire insurance were asked if they had increased their fire insurance to meet the increased values in recent years. While 72.3% of *Farm Journal* subscribers indicated that they had done this with respect to their homes, and 75.3% on contents of homes, only 46.4% said that they had done so with respect to business buildings they owned and only 41.5% indicated they had done this on business building contents. The figures on farm buildings were higher, 69.6% on the buildings, 61.7% on livestock, 59% on feed and supplies, and 41.3% on crops. The subscribers to *Town Journal* indicated with respect to homes that 71.2% had increased fire insurance on the dwelling, 71.9% on contents, 54.5% on business buildings, 49.4% on contents, 67.8% on farm buildings, 61.2% on livestock, 57% on feed and supplies and 43.2% on crops.

Asked who suggested the increase in fire insurance, the replies indicated that the replier himself or a member of his family had done so in 69.5% of the cases (the figures for the *Town Journal* subscribers were almost the same) and only 20.9% indicated that the agent or broker had done so.

An interesting figure was elicited by the question: If you have fire insurance, who made the original decision to buy? For *Farm Journal* subscribers 50.6% said husband and wife, and for *Town Journal* subscribers 47.9%.

Subscribers were asked how they prefer to place their insurance, and 38.6% (66.4% for *Town Journal* subscribers) indicated through broker or agent; 15.7% (16.4% for *Town Journal*) preferred to place it direct, and about 15% had no preference. Reasons given for preferring placement through producers were, in the order men-

tioned, personal service, better service, convenience, and other. However, on this question there was a considerable number of subscribers who did not answer, for *Farm Journal*, 304 out of the 490 who had indicated a preference for producer (265 out of 317 for *Town Journal*) did not answer. Those preferring direct placement did so because it was cheaper, provided better service and there was a personal relationship. However, here again the number answering was very small, 81 out of 112 did not answer (74 out of 103 for *Town Journal*).

The survey reveals a very low degree of solicitation by agents. *Farm Journal* subscribers answered the question of how long it had been since they had been solicited, either by phone or by personal call, by a fire insurance agent, 30.3% never (24.4% for *Town Journal*), 24.7% indicated that it had been about two to six years ago or longer (28.3% for *Town Journal*) and only 19% indicated that it had been a few months ago or recently (17.9% for *Town Journal*). The other breakdown was one or two years ago which resulted in 12.1% answering (13.6% for *Town Journal*); six months ago, 6.9 and 8.7%, and when policy was due, 2.7 and 1.4%.

Thus 55% (52.7% for *Town Journal*) indicated that they never been solicited or that it had been at least two years. For *Farm Journal* subscribers, 67.1% indicated that they had not been solicited within a year—66.3% for *Town Journal*.

Even where insurance has been solicited, only 56.6% (60.2% for *Town Journal*) indicated they had been solicited by their own agent; 22.6% (20.3% for *Town Journal*) had been solicited by another agent.

Of those who had been solicited by an agent 39.9% had been solicited by a mutual company agent and only 14.4% by a stock company agent. These figures for *Town Journal* were 41.1% and 14.6%.

A high percentage of those answering had personal liability insurance 67% and 68.6% for the two types of subscribers; figures were 61.1% and 62.9% for public liability. Only 44.5% (43.5%) owned or carried farmers liability.

However a very high percentage carried automobile liability, 91.8% and 91.5%. Here 647 out of a total of 666 who owned an automobile answered the question, a very high percentage of answers compared with some of the other questions.

Only 66.9% (63.2%) indicated that

they carried truck liability, where they owned trucks.

Asked what type company carried their fire insurance, 54.2% indicated mutual and 26% stock—54.3% and 27.6%, respectively, for *Town Journal*; while 61% indicated they carried mutual automobile insurance (57.3% for *Town Journal*) and 23% stock (30.8% for *Town Journal*).

Subscribers were asked what type of insurance they would prefer if they had to place their fire or automobile insurance today. On fire insurance, 50% indicated mutual and 19.2% stock; 30.2% didn't know. The figures for *Town Journal* were substantially the same. On automobile insurance, 62.9% like mutual (50.8% of *Town Journal* subscribers) and 18.8% stock (22.9% for *Town Journal*). Here 27.6% (24.7%) did not know.

Asked to state the reason for a preference between stock and mutual, comparatively few answered. Of those that did, the reasons for stock preference were better investment, dissatisfaction with mutual company, lower rates, good service and rebates, more reliable, and actual cost known. Rebates here apparently meant dividends because rebates also were mentioned in the answers for preference of mutual companies. The preference there was because of lower rates, good service and rebates, better investment, satisfaction, greater reliability, etc.

A surprisingly large percentage of subscribers indicated that actual experience had given them an opinion regarding the way fire and automobile insurance claims are settled; for *Farm Journal* 51.9% said yes and for *Town Journal* 53.9%. A large percentage, 81.5% for *Farm Journal* and 84.2% for *Town Journal* indicated claims were settled satisfactorily on fire insurance; only 4.6% and 3.4% indicated they were settled unsatisfactorily. The percentages for automobile insurance were even higher 87.9% of *Farm Journal* subscribers and 85.3% of *Town Journal* subscribers stating their satisfaction with the way automobile insurance claims are settled. These percentages were 9.5% and 12.4% on the unsatisfactory side.

Considering present traffic conditions, cost of automobile repairs and amounts of liability settlement, the subscriber was asked his opinion of automobile insurance rates, and 45.4% of *Farm Journal* subscribers thought they were reasonable, 38.7% thought they were excessive and 15.9% had no opinion. The percentages for *Town Journal* were almost the same.

Those who thought rates were excessive were asked to recommend anything they thought might lower rates. There were 80 replies indicating "rates proportional to frequency of accidents", 49 "stricter laws and stricter enforcement", 13 "better check on repair charges", and 33 other remedies. There were 92 in this category who did not answer.

For the survey, the names of 1,500 *Farm Journal* subscribers and 1,500 *Town Journal* subscribers were selected so that the number within each of the 48 states was in the same proportion to the total sample as each magazine's circulation in that state is to the total U. S. circulation. Replies were received from 766 *Farm Journal* subscribers and 675 *Town Journal* subscribers, a return of 51 and 45%, respectively.

Fire Tests Conducted To Compare Effect on Steel and Gypsum Roofs

Tests were conducted last month at the new Underwriters' Laboratories testing station, Northbrook, Ill., to compare the effect of fire on a steel and gypsum roof deck.

Two identical structures, differing only in roof decks, were constructed so that pressurized gasoline jet burners could be inserted in one end. The heat input was intended to meet the requirements of the standard ASTM time-temperature curve for both tests, but was met only on the gypsum deck.

The volatile products from the vapor barrier covering the steel deck burst into flame within four minutes and upon examination it was discovered that the bitumen in the vapor seal had been destroyed for a distance of 40 feet from the firing end.

The gypsum deck after being fired a longer time at greater temperature, retained its monolithic aspect even though steel beams in the firing end had been badly warped. It was also determined that the bitumen in the vapor seal had been uninjured.

One roof deck consisted of an 18-gauge steel deck, a vapor seal of built up layers of asphalt-saturated felt separated by moppings of asphalt, one inch thick insulation, several layers of tar-saturated felt with pitch mopping, and a tar and gravel top surface.

The other deck was a monolithic gypsum roof slab consisting of two inches of fireproof gypsum concrete, reinforced with wire mesh, poured over $\frac{1}{2}$ inch thick gypsum formboard. The same vapor seal was applied over this and insulation was $\frac{1}{2}$ inch thick to provide the same thermal insulation as the steel deck assembly.

Cushman Visiting South America

William F. Cushman, assistant general manager of American Foreign Insurance Assn., is on a trip to Venezuela and Colombia to discuss expansion of operations in those areas with AFIA officials there. He recently returned from a trip to England, Belgium, The Netherlands, France, Spain and Italy.

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Highly Protected Risk Field Is Opened To Texas Insurers

AUSTIN—After three years of revisions and studies of briefs, Texas board of commissioners last week adopted a plan to open the field of highly protected risks to Texas companies, but decided to await a ruling from the attorney general before deciding whether or not the interest rule on payment of deferred premiums should be eliminated.

Under the approved plan, inspection services which must be performed for qualified risks can be done by an independent organization, thereby permitting Texas companies to form such a service office. In addition the plan calls for the making of subsequent inspection reports and also requires investigation of the causes of loss.

Principal speakers for the plan were Will C. Thompson, attorney for the Texas Insurance Advisory Assn.; Gus S. Wortham of American General, and T. R. Mansfield of Gulf. Spokesmen of several other interests also filed briefs.

Ambrose E. Kelly, speaking for the Factory Mutuals, urged that nothing be included in the plan that would preclude his organization's operations under a premium deposit plan.

The Texas companies filed their first plan on highly protected risks in 1952, but the board took no action. It was resubmitted in 1954, with the board referring it to the attorney general, who held that certain revisions were needed. These modifications were included in the currently approved plan, which is scheduled to become effective early in August.

Booth Is President Of Rochdale Ins. Co.

Henry D. Booth Jr. has been named president of the newly formed Rochdale Ins. Co. of New York. The insurer, to be managed by Booth, Potter, Seal & Co., Philadelphia brokerage and reinsurance firm, will confine its operations to the writing of fire and allied lines reinsurance.

Other officers are John L. Baringer vice-president and secretary and Samuel Carliles treasurer and assistant secretary.

The company was formed with capital of \$375,000 and like amount in paid in surplus. The home office will be in New York City.

Rochdale is an affiliate of Cooperative Society of Manchester, England.

Cralle Joins Broker

Joseph B. Cralle II, who has been secretary of Prudential-Skandia-Hudson, the J. A. Munro reinsurance group, has resigned to go with R. C. Rathbone & Son brokerage firm in New York City as account executive. Mr. Cralle entered the business with Royal-Liverpool at the head office in New York and after varied underwriting experience became special agent in Louisiana and later state agent in Virginia. In 1947, after military service, he joined the Davenport agency at Richmond where he spent six years before going with the Munro group.

Plan Nev. WC Rate Hike

Nevada industrial commission has tentatively adopted a schedule of increased premiums for workmen's compensation which reflect experience in the last two years and increases in benefits enacted by the legislature.

The new rates are an increase of between 5 and 9%, but will not go into effect until after a public hearing.

Ohio Farmers Promotes Hines; Makes Changes in Ohio District

W. Vance Hines has been named assistant vice-president and assistant manager of the eastern department of Ohio Farmers companies. He will assist Vice-president G. S. Valentine with offices at Three Penn Center Plaza, Philadelphia.

Mr. Hines had been a state agent for northeastern Ohio with offices at Akron. He began his insurance career as a local agent in Cadiz, O.

James J. Work succeeds Mr. Hines as state agent at Akron. He was formerly state agent for northwestern Ohio at Toledo where he was succeeded by LaVon Rex, former special agent.

Hawkeye-Security and Industrial Show Gains

Hawkeye-Security and Industrial of Des Moines had substantial gains in gross premiums for the first six months of 1955.

Hawkeye-Security had total gross premiums of \$5,428,818, for the first six months, compared to \$4,722,919 for the corresponding period in 1954, an increase of 15%.

Industrial writings increased from \$3,117,343 to \$3,662,461, an increase of 17%.

Kemper Club Elects O'Brien

Edmund J. O'Brien, assistant general counsel for Lumbermens Mutual Casualty and American Motorists, has been elected president of the 600-member Kemper companies Insurance Club to succeed George R. Faulds.

Other new officers are: Raleigh P. Reed, 1st vice-president; William Barabas, 2nd vice-president; Carl W. Niebur, secretary, and O. F. Browder Jr., treasurer.

Elect Averill at Flint

Prescott G. Averill, Prudential, was elected president of Flint (Mich.) Assn. of A&H Underwriters. He replaces T. R. Little. Percy Braun is vice-president and Mrs. Blanche Ritter, secretary.

New officers of Insurance Women of New Orleans are Miss Marie Helen Meyer, president; Mrs. Edna Hooley and Mrs. Faye Foss, vice-presidents; Mrs. Vonice M. Lacy, recording secretary; Mrs. Eugenia B. Lorenzen, corresponding secretary; Mrs. Honora R. Danna, treasurer.



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July 21, 1955

Bureau, NAUA Cut Ind. Auto Rates

Indiana has approved reductions in auto liability rates for private passenger cars filed by National Bureau of Casualty Underwriters, effective July 20. Effective the same date are reductions filed by National Automobile Underwriters Assn., aggregating \$3,032,000 annually.

Casualty rates on cars owned or principally operated by unmarried motorists under 25 remain unchanged.

Bureau reductions range from \$4 to \$6 in Indianapolis and all of Marion County and also in Terre Haute and all of Vigo County. Reductions of \$1 to \$2 apply in Anderson, Elkhart, Kokomo, Lafayette, West Lafayette, Logansport, Marion, LaPorte, Michigan City, Muncie and Richmond and vicinities. The rates remain unchanged elsewhere.

NAUA has reduced comprehensive private passenger rates more than 9%.

The \$50 deductible collision is reduced 20%, varying 13% to 26%. The \$100 deductible has been reduced 15%, varying 9% to 23%.

Young women operators under 25 get the 13% collision credit and driver training draws a 10% credit.

Commercial local fire, theft, comprehensive and collision rates are reduced 11%. Commercial intermediate and long distance hauling fire, theft and comprehensive rates go down 13%, collision is down 8%.

Middlesex, Lynn Make Officer, Field Changes

Middlesex Mutual Fire and Lynn Mutual Fire of Concord, Mass., have elected Donald W. Rowe assistant secretary succeeding Frank C. Leighton, who has retired after 37 years with the companies. Mr. Rowe entered the business with Travelers in 1930, was with Utica Mutual, and in 1938 joined Middlesex Mutual as special agent in New England. He is a past president of the New England 1752 Club.

M. E. Hyatt succeeds Mr. Rowe as special agent in Maine, New Hampshire, Vermont and eastern Massachusetts. He has been covering southern New England for Middlesex and is also a past president of the 1752 Club.

R. J. Hitchcock, who has been with New London County Mutual in Connecticut and Rhode Island, has joined Middlesex as special agent succeeding Mr. Hyatt in the western Massachusetts, Rhode Island and Connecticut field. He started in the business in 1946 with New England Fire Insurance Rating Assn. He will have headquarters at Collinsville, Conn.

Rusch New Ohio Manager

Reynold H. Rusch has been named resident manager at Cleveland for Allstate to succeed Richard A. Hogan who has been appointed resident manager at Chicago.

The Cleveland office, which serves policyholders in Ohio, has been transferred from Allstate's midwest zone to the newly-created east central zone.

WC Rates Up in N.C.

Compensation Rating & Inspection Bureau of North Carolina has filed a proposal with Commissioner Gold for a compensation rate increase averaging 1.1% effective Sept. 1 on new and renewal business. The commissioner scheduled a public hearing on the revision Aug. 3 in his office.

The filing is based on increased benefits approved by the legislature which raised costs 4.3% and on favorable loss experience for the two years ended July 31, 1954, which indicated a reduction of 3.1%.

Average changes by industry groups would be: Manufacturing and con-

tracting up 3.6% each, and all others down 2.9%.

The bureau proposes to reduce the manual rate allowance for service and overhead items other than loss adjustment expenses, taxes, profit and contingencies, from 27.8% to an even 27%.

Travelers Promotes Seagars, Names Others

Travelers has promoted Earl J. Seagars from field supervisor to assistant manager of casualty, fidelity and surety and fire and marine lines at Spokane and named John A. Thompson, John F. Mason and Wilbur R. Hogel Jr. casualty fidelity and surety field supervisors at Charlotte, N. C. Richmond, Va., and Syracuse, N. Y., respectively; John H. Bengston, fidelity and surety field supervisor at Los Angeles and Burton D. Reed Jr. fire and marine field supervisor unassigned.

Non-Immunity Bill Gets Approval of Del. House

The Delaware house has passed a bill that would prohibit insurers from asserting the defense of sovereignty when a claim is made against the state.

Oklahoma LPG Dealers Form Own Insurer

Oklahoma dealers in liquified petroleum gas have organized Hercules Casualty at Oklahoma City to handle all casualty coverage within their industry.

Ralph Russell is general counsel. All stockholders are dealers in butane and other liquified petroleum products, and no effort will be made to sell coverage to anyone except Oklahoma dealers. J. T. Boucher of Tulsa is president of Hercules Casualty; Floyd Sumrall is vice-president, Glenn Springer is secretary-treasurer, and Jasper Wright is vice-president in charge of sales.

Ore. Bulletin Stresses All-Physical Loss Limits

In a bulletin to fire and casualty insurers, Commissioner Taylor of Oregon calls attention to the Aug. 3 effective date of the law allowing all physical loss insurance on dwellings, and pointing out that the provisions deal only with private dwelling coverages and do not include mercantile and manufacturing properties or stocks of merchandise. No company will be

allowed to write mercantile block or manufacturer's output policies in Oregon, the bulletin says, unless the risk qualifies for marine insurance under the nationwide definition and is written as marine to comply with all laws, rules, and regulations, or as an automobile manufacturer's output policy if it qualifies in that classification.

Organize New Local Board for 12 Counties in Mo.

A. Verne Baker of Macon has been elected president of the newly organized Northeast Missouri Assn. of Insurance Agents, which comprises 12 counties in that part of the state. Vice-president of the new group is Jack Hartman of Canton, and W. B. Pickett, Shelbyville, is secretary-treasurer. Representing the Missouri association at the meeting were President Joe Jackson Jr. of Maryville, Terry Noah, executive secretary, and Charles Smith, Jefferson City, treasurer.

Insurance Women's Club of Oklahoma City has installed new officers. They are: President, Mrs. Lois M. Cochrane; vice-presidents, Mrs. Helen Jones and Mrs. Eleanor Timons, secretaries, Mrs. Doris Ford and Miss Elizabeth Landis; treasurer, Miss Nancy Kinsey. Reports were given on the national association convention.



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Potential Atom Plant Loss Seen Enormous

(CONTINUED FROM PAGE 18)
it will be somewhat limited in amount.

The workmen's compensation hazard for employees engaged in the operation of reactors and auxiliary equipment can be handled by existing insurance facilities. The major catastrophe problem in this connection is with respect to employees of other plants in which the air or water supply might become contaminated by fission products.

Public liability hazards resulting from damage to persons or property and arising from the manufacture, construction, ownership or operation of power reactors can be insured by existing facilities up to the limits of liability normally available to more hazardous types of industrial enterprises.

In order to promote the insurability of such enterprises and increase insurance capacity, the group feels it is necessary that the present committee on reactor safeguards or a similar committee continue to function and that stringent safety standards be maintained as a condition precedent to licensing under the 1954 act. This involves periodic inspection as a condition for the continuance of the license.

The most serious problem as to the amount of insurance available, the group reported, lies in the field of third party liability. This problem arises from the very high aggregate dollar amount of claims which might arise in the event of a possible, though not necessarily probable, catastrophic accident. Such claims might be made directly by the person suffering injury

or loss, or they might arise as subrogation actions on the part of insurers called upon to pay the loss in the first instance.

Claims for property loss or decontamination paid by property insurers, or workmen's compensation losses arising from injuries to employees in neighboring plants, illustrate the subrogation problem, and either might be of catastrophic proportions.

In addition to the operator of an atomic energy plant, claims may be brought against any manufacturer of a component part of the installation on allegation that the part is defective. Under the circumstances there might flow into the liability insurance market from a single accident claims aggregating the total monetary damage assessed by the courts for loss of life, injury or damage to property.

The study group reported that notwithstanding these complications, it believes the business can work out an aggregate limit of liability for all parties at interest substantially equivalent to those normally required by other major industrial enterprises.

The present power reactor development program is largely experimental, the report notes, which materially complicates the insurance problem in a new hazard. As knowledge of the basic hazards involved increases the insurance market should be expected to increase its capacity.

Broader knowledge of the hazards and confidence with respect to their insurance can be built up by continuing the program of liaison between the insurance business and the atomic energy commission at the engineering level, which will also serve in the evaluation of new risks.

The report also explains that fire and casualty insurers have been alerted to the problems of insuring industrial atomic installations and a number of them have committees currently considering such problems as the development of capacity and the evaluation of the new hazards incidental to nuclear power.

The study group told AEC that it is not the group's function to determine whether or not legislation should be proposed under which the government might assume liabilities in excess of those normally covered by insurance in other major industrial activities. This would appear to be a matter of public policy and the responsibility of the commission and Congress. The study group is prepared, however, to suggest practical methods of procedure in the event the governmental decision to this question is in the affirmative.

In view of the limited time which has been available and in view of the rapidly expanding knowledge and development in this field, the study group recommends that its activities be continued in order that it may engage in further studies.

Members of the study group are Kenneth E. Black, president of Home; Donald H. Burr, secretary of Aetna Casualty; Percy Chubb, president of Federal; Charles J. Haugh, vice-president of Travelers; Manning W. Heard, 1st vice-president and general counsel of Hartford Accident; A. B. Jackson, president of St. Paul F&M.; H. C. Jones, president of Arkwright Mutual Fire; A. L. Papenfuss, vice-president of Employers Mutual Liability of Wisconsin; M. B. Weber, vice-president of Lumbermens Mutual Casualty, and H. W. Young, vice-president of Liberty Mutual.

S. Bruce Black, president of Ameri-

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can Mutual Alliance and of Liberty Mutual stated in conjunction with the release of the report that Alliance members are organizing to furnish part of the insurance needed by private industry's nuclear power development.

He said surveys already made indicate that many mutual fire and casualty insurers are ready to actively participate in any organized insurance business program which will have financial resources to provide a maximum insurance capacity.

New Mowbray Edition Encompasses Entire Scope of Insurance

A comprehensive account of the workings of insurance as applied to the company, the agent and the buyer is incorporated in the 548 pages of *Insurance, Its Theory and Practice in the United States* by the late Albert H. Mowbray, professor of insurance at the University of California, which has just been published in an enlarged fourth edition edited by Ralph H. Blanchard, professor of insurance, graduate school of business, Columbia University.

Strictly a text book, it is carefully annotated and each chapter is covered by a series of questions for the student's review.

The theory of insurance discussed in the first four chapters is a detailed analysis of why a risk can be insured and the difference between speculative insurance—the new types of insurance that have no experience to determine the amount of risk—and true insurance based on loss experience and many policies.

Broadly speaking, the book states, the same theory underlies the operation of all types of insurance and the same general mechanism is used to implement the theory, but there is utmost variation in practice.

The book goes into the intricacies of the contracts, both fundamental principles and specific contracts, the student, academic and practical, will meet in insurance, such as fire, marine, surety, life, and annuities. Each type of contract is explained fully and in most cases an entire chapter is devoted to each.

For example, the chapter on automobile insurance includes a list of the hazards the owner or operator of an automobile may meet, the form of contract, definitions of insured and automobile, exclusions in the contract, and availability of excess coverages.

The third part deals with the various types of insurer, their origins and characteristics and their relationship to insured. Another part discusses the insurers operated by governmental units, such as a social security and state regulated workmen's compensation.

In selecting an insurer, the book states, the same common sense should be applied as one applies to the choice of a lawyer, plumber, physician, or other individual or organization with whom one contemplates making arrangements for goods or services. The basic criteria are much the same but the emphasis and manner of application are different. The outstanding considerations are security, contract, service, attitude and price.

The book discusses the insurance market and the sales organizations of insurers in detail including the functions of the various jobs found at all levels in the insurance selling hierarchy. And, there is a detailed explanation of rates and how they are determined. Also, the author considers problems of underwriting, insurance finance, adjustment of losses and other problems at the company level.

The importance and methods of government supervision and its development is explained in other chapters.

This new edition was chosen as the May "insurance book of the month" by Insurance Society of New York. It is published by McGraw-Hill Book Co., New York City, and is priced at \$6.

Feddersen Joins Talbot, Bird & Co. at Chicago

John R. Feddersen, who has traveled Ohio as special agent for Phoenix of Hartford group, has joined the inland marine department of Talbot, Bird & Co., Inc., managers of Universal of New Jersey, in Chicago. He joined the Chicago office of Phoenix in 1949 in its underwriting department. With Talbot, Bird he will assist James J. Murphy, western department manager, in the underwriting of inland marine business.

Strictly a text book, it is carefully annotated and each chapter is covered by a series of questions for the student's review.

Kemper Names Bodman, Yates, Coords as V-P's

Lewis H. Bodman, at Philadelphia, and Walter D. Yates, at New York City were promoted to vice-president from resident vice-president by Kemper Companies.

Richard M. Coords, manager at Newark, was promoted to resident vice-president. He formerly was assistant secretary.

Bodman has been active in Philadelphia insurance circles since 1927. He joined Kemper in Philadelphia in 1932.

Yates, joined Lumbermens Mutual Casualty in 1932 as a payroll auditor in Chicago, went to the Philadelphia Kemper office in 1936, and was moved to New York City in 1947 as manager.

Coords has been with the Newark office since 1941 when he was employed as an underwriter. He was named manager of the office in 1953.

Ultramar Elects Two Godoyos and Montgomery

Ultramar Inter-America Corp. has appointed Fernando R. Godoy first vice-president, Miguel J. Godoy vice-

president and general manager and Leighton K. Montgomery vice-president and adjusting department manager.

The company is an insurance and reinsurance intermediary and average adjuster affiliated with Gody-Sayan insurance and banking organization.

Hartford Steam Boiler Makes Rocky Mountain Changes

Hartford Steam Boiler has made several changes in the Rocky Mountain field. E. Fred Watts Jr. is transferred to Salt Lake City, where he will have supervision over Utah and Idaho. He succeeds N. S. Greene who is transferred to metropolitan Los Angeles. Carl W. Bovard moves from Livingston, Mont., to Denver, and he is succeeded at Livingston by Charles W. Sweeney who will supervise Montana and Wyoming.

J. A. Pollen Elected New Chairman of BIA

British Insurance Assn. elected J. A. Pollen, general manager of London Assurance, chairman and C. F. Trustam, general manager of Royal and L&L&G., deputy chairman, at its annual meeting.

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EDITORIAL COMMENT

In Defense of the Local Agent

The time is appropriate for a defense of the average hard-working, conscientious local agent. In recent years there has been a growing tendency to blame him for too many of the problems that have been plaguing the agency companies.

He is, for example, told that he spends too much time in the office; that he does not make enough calls; he is not on the street enough; he does not keep in as close touch with his policyholders as he should; he renews too large a proportion of his policies automatically by mail; he allows himself to be overawed and even intimidated by direct writing and cut-rate companies; he does not read and study so as to improve his understanding of the business and his selling techniques; he represents too many companies and plays one company against the other; he demands that companies attend to details of his local operation that should be handled within his own office; he has his own rather than the company viewpoint, etc., etc., etc.

Charges of these and other alleged shortcomings are being heard all too frequently these days. As competition becomes keener and the going somewhat rougher, too many are yielding to the temptation to make the local agent the "goat". The phenomenal increase in the growth of certain companies (not the standard, orthodox ones) has been especially noticeable during the past 10 years, and is going forward at an accelerated pace. It is too easy and simple a solution to attribute this for the most part to the local agent. Actually, it is unfair to do so. Local agents need considerably more sympathy and understanding than they have been getting of late. We say this because few of the important changes that have occurred in the business during the past decade have benefited the local agent.

The local agent has participated less in the dollar expansion of recent years than the direct writing companies, companies organized by the farm bureaus and labor unions, finance companies with captive insurers, the insurance counters of Sears, Roebuck & Co. and the independent and rate-cutting companies.

In addition, the local agent is confronted with the frequent and seemingly unending changes that are made by his companies in rates, rules and forms. He sees the increasing tendency of the business to become more com-

plicated and more burdened with detail. There is a necessarily heavier load of correspondence and in recent years an almost complete absence of simplicity in the writing and handling of the business in the office of the local agent.

Many of these developments cannot be improved or altered by the local agent and perhaps not even by the companies themselves. In reality they cannot be charged against any segment of the business. The farm bureau movement, for instance, could not have been arrested by either local agents or companies. The tremendous increase in the manufacturing of automobiles brought with it the finance company and its insurers, perhaps an inevitable accompaniment of the growing use of the automobile. Something of the same thing could be said of all of the developments that have been so detrimental to the local agent. They have hap-

pened, and the important thing now is to learn how to live with them, contend against them, and to prevent them from becoming any more harmful to the regular local agent than they are at the present time.

As we see it, this is not the problem of the local agent alone. What has happened to him on the unfavorable side in recent years has been plenty. He is the one who has borne the brunt of the attack. He is on the firing line. He has to absorb the shock of being told that the policyholder is not renewing because he has switched his insurance to Allstate, Liberty Mutual, or one of the dozens of independent, reduced rate companies. This is a very different experience than that of a company which does not have the direct contact with insureds.

It is our opinion that because of all of this the local agent needs more understanding, more cooperation, more willingness on the part of companies to listen to and help in the solution of his problems than ever before. There has been enough berating, deprecating and deplored. The time is overdue for some good old-fashioned teamwork between companies and local agents.

S. Dwight Parker, center, president of Springfield F&M group, is congratulated on his 30th anniversary with the companies during a visit to the



Pacific Coast offices. On the left is **Roy E. Wessendorf**, newly appointed Pacific Coast secretary, and on the right is **John M. Wylie**, vice-president of the Pacific department.

Robert M. Staker, advertising manager of Employers Reinsurance, who fell and broke his heel and hip last December, is now back at his office for part of each day, but has to walk with the aid of canes.

Bruno C. Vitt, president of American, has been elected a director of New Jersey Bell Telephone Co.

E. F. Gallagher, manager of the fire and marine department at Chicago for Standard Accident and Plan, has been elected chairman of the Inter-sectional Committee. The committee is a county-wide organization for coordinating reporting practices and other nation-wide problems in connection with the fire business.

Charles E. Hayes, Lansing agent and prominent in Democratic politics in Michigan, was honored by Lansing Exchange Club last week for his long record of service to his state and his community. Among those who spoke were Commissioner Navarre of Mich-

PERSONAL SIDE OF THE BUSINESS

Kenneth G. Myers of Alexander Myers & Co., Seattle agency, played the major role in the rescue of a jet fighter pilot who parachuted into Puget Sound near Bainbridge Island following a mid-air collision of two jet planes.

First Lt. Ray Minton was forced to parachute when his plane lost a wing and crashed into flames. Mr. Myers and Rev. Robert Christiansen, pastor of Mount Baker Presbyterian Church, heard the crash while working at Mr. Myers' summer home on Bainbridge Island and went to Lt. Minton's rescue in a 14-foot outboard.

Martin Towner Lewis, whose father was general manager of Surety Assn. of America until his death in January, 1954, is with National Surety at Cincinnati. He was assigned to the Cincinnati office following completion of the company's home office school.

Eugene W. Short, former field man for Great American and now a local agent, has been elected president of Louisville Lions Club.

Stephen T. Pepich, president American Insurance Agency of Chicago, is sailing Aug. 5 aboard the S.S. United States for London. He plans a two-month tour of European countries and will confer with underwriters at Lloyds and officials of the Commercial Union in England.

C. R. McCotter, chairman of Grain Dealers Mutual, celebrated 50 years with the company at an anniversary luncheon in Indianapolis. Mr. McCotter joined Grain Dealers at Indianapolis in 1905 and was western manager at Omaha for 28 years. He returned to Indianapolis in 1942 to head the company and was elected board

chairman in 1953. He was president of American Institute for Property & Liability Underwriters in 1952, president of Mill & Elevator Assn. in 1951, and vice-president and director of American Mutual Alliance in 1953.

Miss Katharine M. Howard, daughter of John Howard, local agent at Norwalk, Conn., will enter the business school of the University of Pennsylvania this fall on a four year scholarship. She is the first woman student in the school.

Will A. Ezell, Sharon, Tenn., local agent, has been elected mayor of Sharon.



C. R. McCotter

Jones Is Elected Chairman of NAUA, Kerr Vice-Chairman

National Automobile Underwriters Assn. has elected Tudor Jones, vice-president of Aetna Fire, chairman and



Tudor Jones



G. L. Kerr

Gilbert L. Kerr, vice-president of America Fore group, vice-chairman.

In addition, Mr. Kerr was named to succeed Mr. Jones, who is also treasurer, as chairman of the eastern regional committee.

NATIONAL UNDERWRITER

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July 21, 1955

The NATIONAL UNDERWRITER

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igan, Vernon Ebersole of Lansing Agency, and Thomas A. Kavanaugh, Michigan attorney general.

DEATHS

GUY L. STEVICK, 91, a director and retired vice-president of Fidelity & Deposit and American Bonding, died at his Atherton, Cal., home. He became a practising lawyer in Philadelphia in 1888 and the following year moved to Denver where he practiced law for 21 years, also serving most of that time as local attorney for F&D. In 1910 Mr. Stevick accepted an appointment to supervise F&D's west coast operations and continued in that capacity until his retirement in 1947. He was elected an F&D vice-president in 1920 and a director in 1929.

HOWARD A. HOFFMAN, 45, supervising underwriter in the fire department of American Casualty at the home office, died of a heart attack in his sleep July 16. He joined American Casualty in 1945 after service in the air force. Before that for 15 years he was with Cloidt, Gielow & Dudley agency of Chicago. A brother, Charles L. Hoffman, is with the Cook County department of America Fore in Chicago.

SAMUEL F. HANNA, assistant secretary in American Casualty's bonding department, died. He had been with the company since 1943.

WALTER J. SANDERS, 60, for many years an attorney with National Board, died in New York City, where he lived.

PAUL A. DUCOURNAU, 60, Natchitoches, La., local agent, died in a hospital there of a pistol wound, allegedly self-inflicted.

MILLER FIELDS, 75, local agent for more than 50 years at Lee's Summit, Kan., died at his home there after a fall while getting ready to attend a dinner marking his golden wedding anniversary.

BERNARD F. McCARDLE, treasurer of T. C. Lee agency in Lowell, Mass., died at Lowell hospital.

SOUTH E. BEVINS, 58, adjuster for Aetna Casualty for 28 years, died in St. Anthony's Hospital, Louisville, following a heart attack. He was stricken while driving his car with his wife and son.

CLARENCE M. MATSON, 47, Inglewood, Cal., agent, died at Long Beach.

GEORGE F. KIRKWOOD Jr., 63, of the H. R. Whiteside & Co. agency, Cincinnati, died in Christ Hospital there after a short illness. Mr. Kirkwood was a former mayor of Madeira, O., where he resided. He established the agency with Mr. Whiteside in 1939. Prior to that, he was associated with Earls-Blain Co. agency for a number of years.

CHARLES F. PIERCE, 77, supervisor in the engineering and inspection department of Aetna Casualty 37 years before his retirement in 1951, died at Hartford. He joined Aetna Casualty in 1904 and in 1915 became supervisor of inspection for the Atlantic seaboard states. Later he specialized in engine breakage and electric machinery risks. He had charge of rating, coding and passing on the acceptability of machin-

ery risks. In 1930 he was also made responsible for ocean marine survey and claims.

JOHN H. GOTTING, an insurance broker of St. Louis, was found dead with a gunshot wound in the head on the floor of a bedroom in his home. A rifle was lying on the floor near the body.

Billings Hail Loss To Be \$3½ Million

Hail and wind damage at Billings, Mont., from the storm there July 6, originally estimated at \$4 million and then revised to \$3 million, has been changed once more to \$3½ million. The latest estimate was made by B. P. L. Carden, general adjuster of the National Board. Mr. Carden's estimate is on the total damage and not the insured loss, and does not include about \$600,000 loss to approximately 8,000 insured automobiles or practically total damage to 100 airplanes. It also does not include the crop damage which in some areas runs from 50 to 75%.

The weather bureau has confirmed that the storm was accompanied south of Billings by a tornado, the first in the history of the area. The twister hit Pryor Creek, snapping off trees and destroying a number of buildings.

Of the automobile losses, State Farm has about 2,000 claims at an estimated total of \$350,000. The company is settling about 100 claims a day in one of the largest aggregate losses it has ever had. State Farm is the leading automobile insurer in Montana.

Farmers Exchange has about 1,300 auto losses and its liability will be in the neighborhood of \$200,000.

Swiss Re Has H. O. Changes

Swiss Reinsurance has made a number of appointments at the home office at Zurich. M. Eisenring has been named manager, J. E. Rossier has been named assistant manager, and E. Bart, W. Eschmann and W. Kuster have been named sub-managers.

Standard Accident and its affiliate, Planet, have moved their New England branch to the Sheraton Building, Boston.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co. 135 S. LaSalle St., Chicago, Ill. July 19, 1955			
	Div.	Bid	Asked
Aetna Casualty	\$3.60	263	Bid
Aetna Fire	2.40	72½	74
Aetna Life	3.00*	262	288
Agricultural	1.60	36½	38
American Equitable	1.70	41½	42½
American Auto	1.20	28½	30
American (N. J.)	.65	34½	35½
American Motorists	.24	19	21
American Surety	3.00	93½	95½
Boston	1.60	41	43
Camden Fire	1.15*	29½	30½
Continental Casualty	1.40	128	132
Crum & Forster com.	2.00	74	75½
Federal	.80	39	40½
Fire Association	2.20	64½	66
Firemen's Fund	1.80	74½	76½
Firemen's (N. J.)	1.10	41	42
General Reinsurance	1.80	55	57
Glens Falls	2.00	80	82
Globe & Republic	.90	23½	24½
Great American Fire	1.50	44	45½
Hartford Fire	3.00	174	176
Hanover Fire	2.00	51½	53
Home (N. Y.)	2.00	52½	53½
Ins. Co. of No. America	2.50	120½	122½
Maryland Casualty	1.40	41	42
Mass. Bonding	1.50*	52	53½
National Casualty	1.50*	47	Bid
National Fire	3.00	103½	106
National Union	2.00	51½	53
New Amsterdam Cas.	1.80	58	60
New Hampshire	2.00	50	52
North River	1.40	42	44
Ohio Casualty	1.80*	88	92
Phoenix Conn.	3.00	88	91
Prov. Wash.	1.00	28	30
St. Paul F. & M.	1.10	58½	60
Security, Conn.	1.60	49½	51
Springfield F. & M.	2.00	65	67
Standard Accident	1.80	72	74
Travelers	19.00	119½	121½
U. S. F. & G.	2.00	78½	80
U. S. Fire	1.00	34	36

* Includes Extras

Wrong National Grange Group Member Had Auto Figures Corrected

In printing a correction recently on the figures shown in the May 19 issue for National Grange Mutual Liability, THE NATIONAL UNDERWRITER referred to the company as National Grange Fire. The mistake originally had to do with the lawsuits outstanding to automobile liability premiums earned figures, in which National Grange Mutual Liability was shown as having earned premiums in 1952-54 of \$4,463,-259 and outstanding lawsuits of 1,099,

a ratio of 24.6 suits per \$100,000 of earned premiums. Actually, National Grange Mutual Liability had \$16,893-210 of earned premiums in the period, and its ratio of suits to premiums was 6.5. The premium figures were inadvertently transcribed from the wrong column in the annual statement, and in correcting this error, the wrong member of the National Grange group was named.

Paul A. Coulombe, local agent at Augusta, Me., and I. R. Gray, who was with Liberty Mutual and then General Adjustment Bureau at St. Johnsbury, Vt., have formed the Coulombe and Gray agency at Augusta.



From the diary of an Agency Secretary



Oh dear, a girl never knows, does she? I mean, she thinks she's working hard and doing just right and watching out for her boss' interests and . . . and then it happens. Today Mr. L scolded me! "For Pete's sake, Ellen, anyone'd think we had only one company in this office. 'To the PLM . . . the PLM . . . the PLM.' May I remind you, young lady" . . . I couldn't help but interrupt him. "Oh, I know we've got other good companies, but honestly, Mr. L, PLM is so accommodating and so flexible. You know yourself you're always talking capacity. Last week we sent them the big Walker plant and today the policy on Mrs. Johnson's home. 'No risk too large and none too small,' they say and they seem to mean it. Shall I . . ." "No, let it ride, Ellen. I like PLM myself, but, er . . . remember now!" And then he smiled and then I felt better. 'Night, Diary.'

HOW ABOUT YOU, MR. AGENT?

Would you like a company in your office with PLM's modern ideas of service to agent and assured . . . with PLM's flexibility and capacity . . . with PLM's claim- and dividend-payment record . . . with PLM's strength and underwriting experience? If so, why not get in touch with us?

Pennsylvania Lumbermens Mutual Insurance Company

Market Street National Bank Bldg., Philadelphia 7, Pa.



Writing FIRE and ALLIED LINES "In the Birthplace of American Mutual Insurance"

Fire Insurance Experience for 1954

The accompanying tables of fire net basis after reinsurance. All ratios are based upon earned premiums, except commissions and brokerage and taxes and fees, which are based upon written premiums. Expenses do not include federal income tax, and net gain shows results before federal income tax.

Total figures include the business of all companies. However, individual company results are not printed for those with a premium volume less than \$10,000 in a given line.

The national statistics are on the

COMPANY	Net premiums written (Countrywide)	Net premiums earned (Countrywide)	UNDERWRITING RATIOS (Countrywide)						ANALYSIS OF EXPENSES (Countrywide)								
			Losses incurred "E"			Net adjustment "E"			Commissions and brokerage "W"			Other acquisition "E"			General "E"		
			Loses	Expenses (adjusted)	Net gain (adjusted)	Net	adjustment	"E"	Commission	Brokerage	"W"	Other	acquisition	"E"	General	Taxes and fees	"W"
Stock Companies																	
Eina Insurance Group	47,300,023	40,500,550	41.6	47.4	8.0	3.2	26.4	5.6	8.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Affiliated F. M.	8,294,263	3,204,110	41.6	47.4	8.0	3.2	25.8	5.6	10.4	4.3	4.3	1.5	4.3	4.3	4.3	4.3	4.3
Agricultural Group	8,227,110	3,204,110	41.6	47.0	8.0	2.5	27.5	5.7	8.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Albion	201,201	755,441	49.3	50.3	1.4	1.0	11.5	11.5	14.2	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Allied Fire of Utica	312,972	355,756	47.6	39.3	13.1	3.0	16.1	1.4	15.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Allstate	347,793	86,812	37.8	84.4	-22.2	4.9	55.5	20.1	2.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American	27,182,273	29,679,476	45.1	43.2	11.7	2.2	23.5	5.8	7.8	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Automobile Fire	1,789,225	478,231	39.4	51.8	-21.1	1.1	20.2	5.2	20.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Casualty, Reading Group	3,399,721	3,533,861	45.8	48.5	5.7	2.6	24.6	6.6	10.9	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Central	601,724	500,635	25.5	24.9	49.3	1.2	4.5	3.1	18.5	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
American Firemen's	9,297,591	8,622,443	47.9	51.6	1.4	2.9	25.3	3.3	10.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Employers	1,304,321	931,982	46.2	57.7	-3.9	3.3	25.6	7.1	19.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
American Equitable of N. Y.	9,324,907	9,176,137	44.8	49.5	-2.5	2.0	23.9	3.5	17.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Home Assurance	4,601,561	4,638,589	81.3	83.0	-2.6	3.3	30.1	6.0	8.0	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
American Liberty	286,187	107,558	52.3	50.5	-32.8	9.8	14.4	17.4	37.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American Motors	1,861,477	1,777,477	47.5	57.7	62.5	6.9	9.8	1.2	19.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
American National Group	310,632	210,784	63.4	39.2	-2.6	3.8	3.5	8.2	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Assureds of America	1,319,711	949,451	36.1	55.5	8.4	2.7	30.7	7.4	10.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
Atlas Assurance	2,814,209	3,027,748	47.9	50.5	1.6	4.1	11.5	11.2	14.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Automobile of Hartford	11,390,615	11,777,180	41.6	48.8	9.6	3.3	20.7	7.6	13.2	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Baltair	64,583	41,341	27.5	9.7	62.5	6.9	9.8	1.2	19.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Balfour-Guthrie	257,394	151,263	41.9	56.1	2.9	3.0	36.2	2.2	12.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Bankers and Shippers	3,072,400	3,281,040	42.3	43.3	16.6	11.1	2.9	2.1	8.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Birmingham Fire	1,169,477	1,209,490	51.9	47.7	-1.5	2.6	35.5	1.7	6.9	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Birmingham Fire of Pa.	1,649,553	1,603,700	47.5	47.8	6.8	2.8	22.6	8.2	6.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Boston Group	15,402,129	15,528,166	48.3	73.3	17.3	4.0	30.0	6.7	2.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
British America Assurance	934,524	939,672	41.2	42.2	10.0	1.1	25.5	6.7	7.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
British General	473,371	408,914	47.9	50.5	1.6	2.6	21.7	6.5	10.9	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Buffalo	3,018,377	2,981,884	43.9	53.3	3.8	2.9	29.3	6.4	9.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Caledonian Group	3,203,441	3,203,441	51.4	51.4	-1.1	2.1	26.7	6.8	9.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Camden Fire Ins. Ass'n	7,256,563	8,207,575	44.3	49.9	8.8	2.6	30.6	4.0	6.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Central Surety and Ins. Corp.	496,406	333,163	44.3	52.4	3.3	3.5	26.1	6.0	15.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Commercial Union Fire	1,570,820	1,635,285	49.0	49.4	5.7	2.6	24.6	21.6	9.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Continental	33,031,330	32,317,118	44.4	47.3	8.3	2.8	23.3	8.4	9.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Continental Casualty	3,159,200	3,129,765	45.8	64.4	-9.9	2.3	23.5	17.9	12.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Dubois F. & M.	1,550,100	1,551,973	48.1	52.6	6.2	2.4	32.6	4.1	11.6	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Eagle Fire (N. J.)	558,766	558,766	42.9	42.9	5.5	1.0	44.0	5.1	9.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Eagle Star	282,060	186,174	44.2	47.0	5.5	3.1	39.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employer's Liability	56,789	53,529	14.0	44.0	33.7	1.2	-511	0.0	29.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Equity General	1,533,842	1,091,100	48.0	55.5	1.2	2.2	27.4	7.7	18.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Eureka-Security F. & M.	4,690,336	4,981,200	48.5	81.5	2.7	3.0	30.3	6.1	8.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Excellence of N. Y.	571,871	504,355	49.9	50.6	3.3	4.0	6.3	19.2	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Export	5,785	53,529	14.0	44.0	33.7	1.2	-511	0.0	29.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Fidelity & Guaranty	24,100,325	23,221,581	48.6	56.2	-2.2	2.4	32.6	4.1	11.6	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Fidelity-Phenix F.	2,889,244	3,127,258	49.2	55.4	19.4	2.8	28.2	6.3	10.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Founders	668,468	735,376	41.3	52.3	6.4	10.3	5.7	24.3	6.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Fulton Fire	20,784,220	21,412,926	41.3	48.1	28.0	2.2	25.9	5.2	7.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
General of America	1,252,091	1,253,051	42.1	48.2	9.7	3.7	28.0	3.5	9.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
General Acc. F. & L. Assur.	2,402,091	2,403,226	42.1	48.2	9.7	3.7	28.0	3.5	9.7	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Girard of N. Y.	7,081,441	7,283,357	41.2	49.9	12.9	1.1	28.0	5.1	12.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Glen Falls Group	16,079,205	16,184,802	40.8	48.4	10.8	4.2	26.4	5.3	9.9	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Great American Fire Group	40,740,441	40,740,441	46.6	48.6	6.3	3.0	29.4	5.8	8.5	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Great Eastern Fire	97,061	101,266	42.0	57.0	7.1	2.2	27.9	5.1	11.6	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Hanover Fire	12,586,493	13,337,931	40.0	51.4	2.6	1.7	31.8	4.9	9.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Hartford Fire Group	60,899,711	71,731,222	43.6	46.2	10.2	2.4	25.2	7.3	8.1	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Healthcare-Security	618,512	618,512	47.9	57.7	4.6												

COMPANY	Net premiums written (Countrywide)	Net premiums earned (Countrywide)	UNDERWRITING RATIOS (Countrywide)			ANALYSIS OF EXPENSES (Countrywide)				
			Losses incurred "E"	Expenses adjusted	Net gain (adjusted)	Loss adjustment "E"	Commission and brokerage "W"	Other acquisition "E"	General "E"	Taxes and fees "W"
LLOYDS AND RECIPROCAL AGREGATES										
Affiliated Underwriters.....	\$134,445	\$125,143	91.8	22.3	-14.1	6.3	-20.2	17.9	12.4	6.3
American Exchange Underwriters.....	309,000	387,302	23.4	54.9	21.7	-6.0	-6.0	21.8	21.9	8.0
Amherst Underwriters.....	12,820	12,820	2.4	2.4	2.4	1.7	4.9	2.2	2.2	2.2
Canners Underwriters.....	3,355,000	3,252,074	25.4	33.8	27.8	1.5	29.1	21.8	21.9	8.2
Drugmen Ind. Exchange.....	39,767	40,568	33.6	54.6	11.8	3.4	8.9	9.0	21.5	8.8
Fireproof-Sprinklered Underwriters.....	136,571	127,071	23.5	55.6	29.1	2.2	-6.1	22.2	22.1	8.0
Individual Underwriters.....	514,905	478,756	23.4	55.0	21.6	2.2	-6.0	22.0	22.0	4.8
Lloyds, New York.....	122,114	116,765	47.4	47.0	52.0	0.6	-116.3	17.9	21.0	67.4
Metropolitan Fire Underwriters.....	308,257	265,208	23.4	54.7	21.6	2.2	-6.0	21.8	21.9	5.1
X. Y. Reciprocal Underwriters.....	416,258	414,593	23.4	55.1	21.6	2.2	-6.0	22.1	22.0	4.8
Reciprocal Exchange.....	397,336	503,866	22.9	43.2	33.9	2.6	7	18.2	18.4	3.3
Underwriter Exchange.....	152,272	140,012	25.7	39.7	35.3	1.3	3.4	13.7	13.2	2.4
Warner Reciprocal Insurers.....	929,441	1,016,199	44.9	32.7	22.4	2.9	24.9	—	2.7	2.7
REINSURANCE COMPANIES										
Accident and Casualty.....	\$162,763	\$193,643	50.0	8.0	-9.8	5.3	31.1	4.7	15.1	3.3
America Reserve.....	7,102,980	7,157,129	38.7	46.0	15.3	1.8	42.0	1.9	1.0	1.0
Chattanooga General.....	2,673,212	2,654,972	40.6	51.6	7.8	3.6	45.1	2.0	.7	.2
Colonial Assurance.....	500,000	500,000	44.0	44.0	3.3	1.1	3.7	1.1	1.1	1.1
Continental.....	450,691	135,033	94.5	89.7	-14.2	4.1	30.2	10.0	6.3	.1
Constitution.....	1,739,032	1,807,477	40.1	51.8	8.1	3.1	45.3	.2	2.9	.3
Denmark Reins.....	2,115,096	1,638,528	40.7	46.0	4.8	4.8	44.7	2.8	.9	.1
Employers & Reinsurance.....	1,630,169	1,715,781	43.6	48.6	7.3	2.1	52.7	2.8	—	—
French Union & Reinsurance.....	966,768	1,083,852	45.4	46.6	5.2	2.2	53.8	—	—	—
General Security of N. Y......	4,586,397	4,672,397	42.7	49.0	4.9	3.0	53.9	—	3.6	.1
General of Trieste & Venice.....	1,206,699	837,546	43.9	53.2	2.9	3.1	46.2	—	3.7	.2
Hamburg.....	600,000	600,000	43.4	43.4	4.0	2.3	42.2	2.2	1.5	.1
International.....	704,782	1,230,158	41.8	42.0	13.8	1.8	53.8	—	9.0	—
Inter-Ocean Reinsurance.....	3,886,617	4,683,217	33.3	44.2	20.5	1.2	40.6	1.4	1.3	.3
Metropolitan Fire Assur.....	2,857,191	2,814,413	43.8	53.6	2.7	2.9	45.0	.1	2.7	.8
National Reinsurance.....	1,062,486	966,699	51.1	43.0	8.9	2.7	34.7	2.3	3.3	—
New Rotterdam.....	223,272	76,270	47.3	53.0	-1.2	3.0	44.0	.1	0.0	.8
Nordic Reinsurance.....	124,000	74,000	51.8	46.0	1.8	2.0	39.5	8.0	8.0	.3
North American F. & M. Re.....	10,518,286	10,518,562	50.7	47.0	2.3	2.0	41.9	1.3	1.6	—
North Star Reinsurance.....	778,427	778,427	49.4	50.7	1.7	1.8	41.8	.3	—	.1
Northeastern of Hartford.....	7,450,760	8,402,310	46.0	47.5	8.9	1.0	42.2	1.1	2.1	.2
Patriot Life and General.....	3,382,414	4,050,813	48.6	46.5	8.1	1.2	43.8	1.1	1.3	.1
Prudential of Britian.....	377,135	349,289	49.9	45.7	8.4	2.2	42.8	—	4.4	.3
Reinsurance of N. Y......	3,329,314	3,397,475	43.4	44.3	12.3	2.3	40.2	.2	1.8	.1
Risk Management.....	9,081,053	9,013,053	49.3	42.1	8.6	2.1	37.1	.9	2.0	—
Skandia.....	2,663,151	2,717,080	43.4	44.3	12.3	2.3	40.2	.2	1.5	.1
Swiss Reins.....	1,414,124	1,519,124	43.4	43.4	2.0	2.0	41.8	—	—	—
Swiss American.....	710,130	734,146	49.3	53.6	-2.0	3.7	31.0	5.2	10.1	3.6
Swiss National.....	184,014	89,037	44.0	64.4	-8.4	1.8	39.0	11.9	11.4	.3
Swiss Reinsurance.....	10,696,930	10,835,930	47.7	41.7	10.6	1.0	39.1	.7	—	—
Transatlantic.....	223,458	509,209	51.0	12.9	33.1	1.1	10.5	.3	.7	.3
Union & Phoenix Espanol.....	1,423,410	1,903,248	45.0	47.1	2.9	2.1	44.8	—	—	—
Union Fire & General of Zurich.....	431,777	577,777	45.0	47.3	6.2	2.3	42.0	—	25.1	.9
Urbania Fire.....	1,379,427	1,475,894	47.6	52.8	4	2.1	44.7	.3	5.3	.4
Urbania Fire.....	1,319,688	1,804,315	45.0	47.2	6.9	2.3	44.6	.3	—	—
REINSURANCE COMPANY AGGREGATES										
1950	78,067,935	60,844,711	42.0	45.0	13.0	1.8	40.8	.7	1.8	.1
1951	81,591,862	76,349,226	45.6	45.1	9.3	1.9	40.8	.7	1.8	.1
1952	83,435,648	82,778,861	40.2	47.5	6.0	1.8	40.8	.3	1.8	.1
1953	82,225,633	87,225,633	45.0	45.0	4.0	2.0	42.9	.7	1.8	.1
1954	82,225,394	57,034,403	45.0	46.3	8.7	2.1	41.0	.9	1.8	.1

N. Y. Brokers Favor Agency System; Want Policies Simplified

A survey of insurance brokers in the New York City area shows they believe the agency system is best for the public because of the expert and specialized advice and guidance provided, but they also feel that stock companies must learn to accept the need for simplifying policy wording and coverage and that brokers and agents qualification laws and standards should be raised.

John C. Weghorn agency, which polled 4,000 metropolitan area brokers by mail, reported typical answers to the question, "Is the American agency system the best for the insurance buyer?" included:

The system emphasizes the extreme importance of broker or agent in advising clients on coverage and helping them collect money when losses occur. The public prefers dealing through an agent or broker because he has incentive and is anxious to build up a following, while direct employees of companies do not have the same interest and do not always point out things insurance buyers should know.

Through the agency system the insurance buyer secures the finer points of coverage that are eliminated by direct writers.

Personnel representing direct writers often change jobs. They do not have personal interest in insured.

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Louisiana highways during the traffic-heavy holiday. The program was broadcast from 1 to 4 p.m. and from 7 to 10 p.m., July 2, 3 and 4, and featured music and safety tips for drivers. Reports were made directly from state and local police headquarters describing various accidents throughout the state.

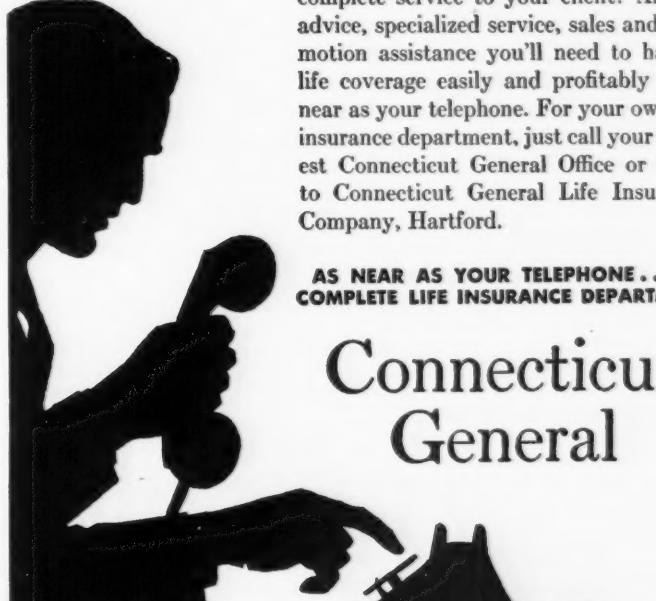
President David W. Thomas of the group said his companies insure more automobiles in East Baton Rouge Parish than any other company.

J. I. Kislik agency has moved its Jersey City offices to the second floor of the Jersey Journal building at 30 Journal Square.

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Baton Rouge Insurer Buys 18 Hours of Radio Time Over Holiday

Delta Fire & Casualty, Delta National Mutual, Delta general agency, and the Thomas agency—all members of the Delta group—purchased 18 hours of radio time over the Fourth of July week-end to promote safety on

NEWS OF FIELD MEN

Fireman's Fund Makes Field Changes in Pa., Ore., Idaho

Fireman's Fund has named Frank E. Prass special agent for casualty and automobile lines at Pittsburgh to succeed Walter Brown, who was recently named manager of casualty operations for western Pennsylvania.

Earle A. Whitney has been named special agent for Idaho and Oregon with offices at Boise. He joined the company in 1949 and has worked at San Francisco and Stockton.

Manfred C. Mitchell has been named special agent in Multnomah and Clackamas Counties in Oregon with headquarters at Portland.

Erickson to Wis. Post for National of Hartford

National of Hartford group has named Robert C. Erickson casualty and surety supervisor for Wisconsin.

He joined National's western department in 1954 and had casualty and surety underwriting and production experience before that time.

Mr. Erickson will have headquarters in Milwaukee and will work with State Agents T. L. Mulcahy and T. M. Irvine.

Ohio Farmers Names Two Special Agents in Minn.

Ohio Farmers companies have named Melvin O. Heggerness special agent for Minnesota and Lloyd E. Young special agent at Minneapolis. Both will work with State Agent T. J. Burke and maintain offices in the northwest regional office at Minneapolis.

Mr. Heggerness had previously been a field man in Minnesota for General Accident and Mr. Young had been in the home office underwriting department at LeRoy.

North British Makes Three Changes in East

North British group has named Donald J. White Jr. special agent for the northeast and southeast New York territory, John E. Crotty special agent for New Hampshire and Vermont and George A. Rinck special agent for Boston metropolitan area.

Mr. White will work with State Agent R. O. Reid with headquarters at Albany. Mr. Crotty, who succeeds Special Agent C. H. Lippert, who returns to New York for reassignment, will assist Special Agent George L. Cady Jr. and will work out of Manchester, N.H. Mr. Rinck will make his headquarters at Boston with Special Agent Arthur C. Foote.

Slate 10 Town Inspections in Mich. for Next Year

Michigan Fire Prevention Assn. has scheduled inspections of the following towns during the coming year: Sparta, Petosky, Trenton, Portland, Adrian, Ionia, Midland, Fenton, Holly and Kalamazoo.

Fallin to San Francisco for Providence Washington

Frank T. Fallin has been transferred to San Francisco as special agent for Providence Washington. He was with Pacific Fire Rating Bureau before joining Providence Washington.

Alamo Blue Goose Names E. B. Moore New MLG

At the annual outing of Alamo pond of the Blue Goose at San Antonio, with approximately 50 members present, E. B. Moore, Automobile, was elected most loyal gander; Forrest McPhaul, Southwest General, supervisor; Wil-

lard Heath, Heath Claims Service, custodian; Harold Bracher, Great American, guardian; John L. Chadwick, America Fore, keeper; and Kenneth Johnsen, loyalty group, wielder.

The members voted to hold the mid-year meeting with the Austin puddle.

Thomas Named Mo. Special by National of Hartford

National of Hartford group has appointed James B. Thomas special agent in Missouri.

He will work with State Agent A. C. Gunter in the eastern part of the state and have offices in the Pierce Building at St. Louis.

C. W. Cecil Named MLG of South Texas Blue Goose

C. Wilbur Cecil, American, was elected most loyal gander of the South Texas Blue Goose at a golf outing in Houston.

Other officers elected were: E. A. Stumpf of American General, supervisor; W. E. Tesch of Aetna Fire, custodian; Justin T. Crane of Home, guardian; H. P. Cabness of Trinity-Universal, keeper, and W. O. Coles, GAB, wielder.

Larkin Joins Security in Chicago Territory

F. Howard Larkin has been appointed state agent for Cook and DuPage Counties, for Security-Connecticut group.

Mr. Larkin began his career 26 years ago with Great American. He was subsequently with Aetna Fire, Loyalty group, and General Accident.

Royal-Liverpool Moves G. H. Clark to Chicago

Royal-Liverpool group has transferred State Agent George H. Clark from Peoria to Chicago to assist in pro-

duction activities primarily in Cook County.

He joined the group at Chicago in 1948 as a special agent, went to Elgin in 1949 as a state agent and has been at Peoria since 1951.

Woodward Ill. Special for Fire Association

John W. Woodward has been appointed special agent for northern Illinois with headquarters at LaSalle by Fire Association group. He will work under F. L. Michel, secretary-manager.

Atlas Names Burnett

Atlas has named Edward G. Burnett special agent in North Carolina with headquarters at Greensboro.

E. F. McDermott Promoted

Edward F. McDermott, associate state agent of Home in Kansas, has been promoted to state agent in that territory.

Breasford to Texas Field

Paul Breasford has been appointed special agent in Texas for Associated Agencies in Kansas City. He will have headquarters in Fort Worth.

Mr. Breasford has been in the Kansas field with Phoenix of Hartford.

ACCIDENT & HEALTH

Four Texas Cities Form State A&H Organization

Chapters of A&H claims and underwriters associations in Austin, Dallas, Houston and San Antonio have established a state organization. The groups have been meeting separately for several years.

At a two-day meeting in Austin, R. B. Donovan, United American Life of Dallas, was elected president; W.P. Hinch, American Hospital & Life of San Antonio, was named vice-president, and Russell Allen, Old National Life of Houston, was elected secretary.

The program included speeches, panels and case clinics. Paul Connor, attorney for the Texas department, spoke on current insurance legislation; Louie Throgmorton, vice-president of Republic National Life, talked on "Settle, Don't Nettle," and Dr. F. C. Lowry, orthopedic physician, talked on mutual problems of physicians and A&H insurers as to claims and underwriting.

Clinics were given by the Houston and Dallas chapters, the latter on major medical and catastrophic insurance.

Representatives of Texas Hospital Administrators Assn. held a panel discussion on "What Is Your Problem With Hospitals?"

American Casualty Has New AD&D, Medical Expense Program

American Casualty is promulgating a new world-wide accident insurance program known as TOP in which buyers may select any one of three plans: common carrier accident, conveyance accident, or 24-hour accident coverage.

All provide accidental death and dismemberment limits up to \$100,000 and medical expense benefits up to \$10,000. Under the conveyance accident and 24-hour accident plans the medical expense benefit is optional. Rates vary from \$18.75 for the lowest amount of coverage under the common carrier



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accident coverage, to \$37.50 for the lowest amount of AD&D and \$15 for the lowest accidental medical expense under the conveyance accidents, and \$17.50 for AD&D for 24-hour accident coverage lowest amount. The 24-hour accident coverage rate depends on occupation of the policyholder.

The program is available in 43 states. Approvals are still pending in California, Illinois, Maryland, Massachusetts, and West Virginia.

DITC Elects McKinnon; Expect 30 New Courses Underway by October

Leonard A. McKinnon, McKinnon & Mooney, Flint, immediate past president and current chairman of International Assn. of A&H Underwriters, was elected president of the Disability Insurance Training Council in an organizational meeting in Chicago. Roy MacDonald, H&A Underwriters Conference, was named vice-president, and E. H. Magnuson, assistant vice-president Federal Life, secretary-treasurer.

C. O. Pauley, retired head of the conference, is consultant to the new organization, set up as a separate corporation to administer institutional-level A&H training courses throughout the country, based on the three-year experience of the IAAHU.

Elected to the board were Messrs. MacDonald and Magnuson; Howard Nevenon, Washington National, Los Angeles, Clifford MacDonald, International Fidelity, Dallas, president of IAAHU, and Mr. McKinnon.

It is contemplated that the board, when completed, will contain representatives of all major trade associations.

John Galloway, Provident L. & A., Birmingham, interim director, reported that with pilot course experience in Indianapolis in back of DITC, 30 new courses are expected to be underway by the end of September. Flint, Dallas, Fort Worth, and Houston are working on courses and a second course is contemplated in Indianapolis.

DITC will operate on a 12-week basis, class meetings running two hours a week. Text material and instructors' manuals are supplied by DITC, and final examination papers are graded at DITC headquarters. All courses will be conducted by paid instructors approved by DITC.

Union Group Contract Gets by Minn. Department Probe

ST. PAUL—An examination of 1,040 group contracts involving labor unions has revealed no irregularities, according to Commissioner Sheehan.

The investigation of such contracts was begun by the department in April, 1954, following Congressional committee hearings in Minneapolis regarding the administration of welfare funds by local union officials and their employees.

Commission payments averaged about 3% of premiums collected, both under union contracts and employer contracts. The commissions paid on union contracts were of the same pattern within each company as employer and association contracts. The investigation was limited to health and welfare plans which involved an insurance company.

Instructors for DITC

Sought in Local Groups

Nominations for paid instructors for Disability Insurance Training Council A&H course have been requested from all local associations by the International Assn. of A&H Underwriters.

Local association presidents have

been sent application forms with the request that they process their membership for competent people and encourage them to apply.

DITC was incorporated earlier this year as a non-profit, institutional level organization to conduct courses in A&H at the local level. John G. Galloway, Provident L. & A., Birmingham, past president of the International, is serving as interim director.

A pilot DITC course was run in Indianapolis in April, May, and June; and a full scale operation with courses throughout the country is planned for September.

An organizational meeting of the council board is being held in Chicago to adopt by-laws, a budget, to plan the fall course, to hire a full-time director, and to consider instructor applications completed as of that date.

Commercial Travelers Offers Women's Cover

Commercial Travelers, for 72 years restricted to coverage for men, is offering \$2,500 death benefit policies for employed women.

Names N. D. General Agent

St. Paul Hospital & Casualty has appointed George Ulseth general agent for North Dakota. He will have headquarters at Grand Forks.

Cal. Agents' Campaign Succeeds in Getting License Bill Signed

After an intensive campaign conducted by California Assn. of Insurance Agents, the licensing bill which corrects many of the abuses of the certificate of convenience for agents and solicitors, was signed by Gov. Knight.

The governor's approval had been expected earlier. While at a conference in San Francisco the association's officers learned the bill was among those slated for pocket veto.

With less than 60 hours in which to get the bill signed, the association began its concentrated effort. As quickly as repeated long distance conferences could be arranged between officers, legislative chairman H. H. Hendren and assemblyman Donald D. Doyle (principal author), the campaign began to swell. All local associations and all past presidents of the state association were alerted to the problem by wire. Every director who was not on vacation was contacted by personal phone call. Hundreds of telegrams from all over the state were sent to the

governor's office, urging him to reconsider.

While the association's efforts were proceeding, officials of individual companies and company trade associations volunteered support, and they too began contacting the governor's office.

Trinity Universal Buys DeMille General Agency

Trinity Universal of Dallas has acquired controlling interest in the C. B. DeMille general agency of Seattle from C. R. DeMille and William J. DeMille, sole stockholders of the 54-year old firm. The office has been general agent for Trinity Universal for 28 years.

The DeMilles will continue to manage the general agency, Gordon S. Yeargan, president of Trinity Universal, said. The purchase is part of an expansion program of Trinity Universal in the northwest.

The C. B. DeMille general agency is one of the oldest in the Pacific Northwest. It was established by the late Charles B. DeMille, whose sons became active in the business about 25 years ago. There are offices in Portland and Spokane as well as Seattle.

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Final Volumes on N. Y. Regulation Published (CONTINUED FROM PAGE 2)



commissions. His comments reach back to Cardozo and further, and are as up to date as the *Guardian Life* decision which upheld the right of the superintendent to judge an insurance company's real estate decision.

One sentence in Mr. Harris' article serves to nail down the meaning of state regulation, a quotation from Justice Douglas in the case California State Automobile Assn. Interinsurance Bureau vs Maloney:

"Here (insurance) as in the banking field, the power of the state is broad enough to take over the whole business, leaving no part for private enterprise."

In this volume, as in the others, the reader is taken from the general to the specific and back again—from the techniques of premium accounting to rate making in the "unregulated" A&H business. In the latter, Max J. Schwartz of the policy bureau of the department comments that because of the multiplicity of coverages and lack of published statistics, scientific rate making for individual A&H insurance has lagged far behind the general growth of the business. More accurate morbidity statistics need to be accumulated and made available to the industry as a whole. Each company could then base its rate calculations upon sound actuarial principles rather than upon the rates generally prevailing in the industry, he believes.

The articles on trade and service organizations are for the most part thumb nail reviews of their history, purpose and functions, contributed by the managers.

Mr. Collins' treatment of rate regulation in fire and casualty forms the introduction to volume 5, and it is a good one. It is particularly interesting in view of the new era of rating into which the business is now stepping. So many changes have occurred in this area of the insurance business in recent years that Mr. Collins' review of the history of rating and his pertinent comments on its status today are not only excellent close study by student or starter, but will prove fruitful as a refresher for anyone in the business.

Mr. Collins treats his material in a factual way, though his selection and presentation are skillful and effective. But some of his facts constitute in-

teresting commentaries on the business anyway. For example, there are 47 territories in the state for automobile liability insurance. Or, substantive changes in the recodification of the insurance law in 1940 included recognition of the principle that in the rating of risks consideration may be given to differences in expense elements, which brings the reader up to the Allstate hearing.

Mr. Collins is also a realist. He notes that a few companies have merit classification plans which provide both credits and debits. He adds it is believed that credit plans have psychological effects in encouraging safe driving. It is not generally recognized by the average insured that about 90% of all insured would be accident free during a one-year period and a credit of 10% to such insured would require an increase of about 9% in manual rates.

Frank Harwayne, chief casualty actuary of the department, contributes a useful and well written explanation of workmen's compensation insurance rates and of statistical plans and rate making generally. The good, clear writing here and elsewhere in the book indicates the work that has gone into the lectures. Harry A. Kahn, departmental associate examiner, discusses automobile, general liability and boiler and machinery rates; Charles N. Kaplan, senior examiner, burglary, theft and robbery rates; Jacob Malmuth, associate examiner, auto PHD and inland marine, and Harold Sohmer, senior examiner, fire.

Possibly the average insurance reader will get from a reading of this and the other volumes the impression that rate making is a very precise procedure. Obviously it is as precise as it can be made, but it is less a science than an art, as Mr. Malmuth, Mr. Straub, and others make clear.

But regulation is quite a thing, in size and significance. Against its grid the reader of these volumes will get a detailed view of the business that will interest and educate him.

S. F. Forum Elects Officers

Glenn A. Stackhouse, Liberty Mutual, is president of Insurance Forum of San Francisco, succeeding Ralph H. Dreyer, United Pacific. Other new officers are: Bradley Palmer, Fireman's Fund, vice-president; E. Avery Tindell, Pacific Marine agencies, secretary; and Leonard J. Vines, St. Paul F&M, treasurer.

Elect Stemm at Elkhart

Elkhart, Ind., Assn. of Insurance Agents has elected Paul Stemm president; Charles Darling vice-president; James Berkey secretary-treasurer; and Harry Schults and Henry Hoetger executive board members. The name has been changed from Elkhart Insurance Board to Elkhart Assn. of Insurance Agents.

N. Y. Producer Loses License

Superintendent Holz of New York has revoked all licenses issued to Frederick Klein, insurance agent and broker, of 123 William Street and 418 Central Park West, New York City, on charges that he misappropriated premiums collected from insured and commingled funds.

State Farm Oregon Agents Rally

PORLAND—Oregon agents of State Farm Mutual Auto held a one-day session here last week at which Adlai U. Rust, president, was speaker. The meeting was the silver anniversary of the company's operation in Oregon. Some 200 agents were at the banquet.

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July 21, 1955

Cook County Fire, Allied Lines Totals for 1954

(CONTINUED FROM PAGE 3)

Name of Company	1953	1954
National Union	359,608	407,734
New Amsterdam	16,982	16,398
Newark	95,019	114,028
New England	195,699	234,823
New Hampshire	211,471	221,212
New York Fire	267,173	292,882
New York Und.	300,201	291,692
Niagara	815,793	1,063,150
North British	320,298	408,942
Northern Assur.	227,066	234,496
Northern N. Y.	213,667	260,828
North River	192,685	214,937
Northwestern F. & M.	124,482	151,128
Northwestern Mut.	173,021	194,216
Northwestern Nat.	1,228,406	1,183,976
Norwich Union	227	30,504
Ohio Farmers	30,504	31,788
Ohio Hardware Mut.	48	50
Ohio Insurance	65,632	59,800
Old Colony	306,504	281,604
Orient	416,096	451,077
Pacific Coast	961	961
Pacific Fire	218,652	198,979
Pacific National	802,111	734,871
Palatine	15,339	13,427
Paramount	321,678	347,568
Patriotic	116,389	90,518
Pearl	154,658	199,632
Pennsylvania Fire	797,777	911,830
Penn. Lumbermen Mut.	14,823	31,639
Penn. Millers Mutual	8,413	10,370
Philadelphia F. & M.	182,186	333,723
Phoenix Assurance	255,856	291,623
Phoenix	962,521	1,019,159
Pioneer	49,950	46,215
Planet	163,008	185,121
Potomac	84,188	95,944
Prov. Wash.	141,006	147,735
Provident	70,158	104,694
Quaker City	85,252	82,060
Queen	268,230	284,816
Reliable	26,096	27,194
Reliance	327,892	268,334
Republic	722,544	744,686
Republic Mutual	6,414	5,168
Resolute	201,923	201,923
Rochester Amer.	92,284	185,477
Royal Exchange	732,900	742,714
Royal	254,996	252,377
Safeguard	1,108,142	1,108,142
St. Louis F. & M.	703,288	61,152
St. Paul F. & M.	47,862	45,952
Scottish Union & Nat.	100,780	51,823
Seaboard F. & M.	13,230	77,009
Security-Conn.	105,358	30,122
Security Mutual	298	85,487
Selective	3,692	3,692
South Carolina	36,494	36,494
Southern Fire-N.C.	7,584	10,287
Springfield F. & M.	682,818	630,306
Standard, Conn.	395,989	384,383
Standard-N. J.	88,865	75,585
Standard-N. Y.	1,640,932	1,795,867
Standard Marine	47,133	33,779
Star	101,561	126,864
State Assurance	166,952	205,530
State Farm	157,803	171,382
Sun Insurance	58,743	63,578
Sun Underwriters	153,125	139,152
Transcontinental	731,193	999,742
Travelers	168,583	153,519
Trinity Universal	96,162	115,340
Twin City	2,106	13,977
Underwriters Exch.	716	5,292
Underwriters	157,996	73,115
Union Assurance	623	623
Union Automobile	129,125	129,406
Union Insurance	26,315	20,292
United Benefit	37,066	25,063
United Fireman's	208,618	151,749
U. S. F. & G.	738,328	1,311,765
United States Fire	515,940	548,326
Universal Und.	41,153	52,916
Vigilant	11,913	4,055
Virginia F. & M.	5	5
Warner Reciprocal	20,889	47,869
Washington F. & M.	170,524	182,099
Went Bend Mutual	271,647	301,255
Westchester	40,204	55,015
Western Assur.	114,578	139,188
Western Fire	5,858	9,595
Western Millers Mut.	15,143	15,486
Workmen's Mut.	103,383	136,627
World F. & M.	200,546	243,047
Totals	57,048,465	61,813,306

Name of Company	1953	1954
American Eagle	281,813	353,354
Continental	1,195,247	1,512,712
Fidelity-Phenix	618,871	711,426
Niagara	815,793	1,063,150
Total America Fore	2,911,724	3,640,642
Fireman's Fund	2,247,467	3,394,430
Home Fire & Marine	97,420	78,993
National Surety	31,714	31,714
Total Fireman's Fund	2,344,887	3,532,501
Aetna	1,177,145	1,546,471
Standard of N. Y.	1,640,932	1,795,867
World F. & M.	103,383	136,627
Total Aetna Fire	2,921,460	3,479,965
Citizens, N. J.	410,527	577,671
Hartford	1,523,211	1,642,114
Northwestern F. & M.	124,482	151,128
N. Y. Underwriters	300,201	299,692
Twin City	96,162	115,340
Total, Hartford Fire	2,450,583	2,716,035
Firemen's of Newark	1,386,042	1,399,576
Girard	581,923	419,292
Milwaukee	635,998	623,980
Natl. Ben Franklin	71,261	57,675
Total Loyalty Group	2,725,224	2,500,523
Ins. Co. of N. A.	1,829,320	1,868,446
Philadelphia F. & M.	182,186	333,701
Total Ins. Co. of N. A.	2,011,506	2,202,147
Central States	142,101	141,161
Equitable F. & M.	238,960	227,768
Kansas City F. & M.	26,877	17,709
Minneapolis F. & M.	207,082	196,704

Huebner Foundation Makes 20 Insurance Study Grants

The administrative board of S. S. Huebner Foundation for Insurance Education has made fellowship and scholarship grants for 1955-56 to 20 persons to enable them to pursue graduate study in insurance for a PhD degree in order to prepare for insurance teaching careers in colleges and universities. The grants vary in amount from \$400 to \$3,200.

Dr. James L. Athearn, assistant pro-

fessor, Ohio State University, received a post-doctoral fellowship. Receiving fellowships were Walter W. Dotterweich, assistant professor Butler University; John W. Hall, instructor University of Kansas; Donald R. Johnson, instructor Huntington College; Jonas E. Mittelman, instructor, University of Buffalo; Archie J. Nichols, instructor Valparaiso University.

Also, Jesse F. Pickrell, associate professor North Texas State College; Glen L. Taylor, instructor North Texas State College; James B. Wickman, instructor University of Washington; Arthur L. Williams, instructor Pennsylvania State University; David L. Bickelhaup of Saratoga Springs, N. Y.; G. Victor Hallman II of Moorestown, N. J.; Donald J. MacDonald of Calumet, Mich.; LeRoy L. Phaup Jr. of Haddonfield, N. J.; D. Paul P. Rogers of Des Moines, and Raymond G. Schultz of Pasadena.

Scholarship recipients were Thomas V. Gallagher of Philadelphia, James D. Hammond of Maryville, Mo., Michael L. Kearney of Burbank, Cal., and Stuart Schwarzschild of Richmond, Va.

Fort Worth Insurer to Hike Capital by \$300,000

Stockholders of International Service of Fort Worth have voted to increase capital from \$700,000 to \$1 million. This is the eighth capital increase in the past seven years. International Service began business in 1948. Assets now exceed \$7 million.

J. L. Schueler Promoted

James L. Schueler has been advanced to general claims attorney by Michigan Mutual Liability. He succeeds George L. Cooper, retired. Mr. Schueler joined Michigan Mutual in 1941. He was made claims attorney in 1946 after army service. He subsequently was supervisor of automobile and general liability claims, branch claims manager and assistant to Mr. Cooper.

New Western Adjustment Office

Western Adjustment will open a resident office at 124 North Broadway, New Philadelphia, O., Aug. 1. The office will be staffed by D. L. Wolfe, resident adjuster, and D. C. Savage, adjuster, and will serve Tuscarawas County.

Some "back fence" talk about insurance

Here's what broker James P. Neary, right, of Chicago, told Prudential's George L. Schomburg, brokerage manager in the Don K. Alford and Associates Agency. The Chicago Union Stock Yards form the background for their conversation.

"I've been in this business a long time, and in my opinion, Prudential's brokerage service is tops. Whether it's providing information or actually

helping me close a case, large or small, the service is friendly, prompt and thorough.

"Recently I got a lot of help from Prudential with cases involving advanced underwriting—a \$30,000 plan for tax coverage, and an \$80,000 business insurance sale.

"And even with all this help, I still get the full commission. That's pretty hard to beat!"



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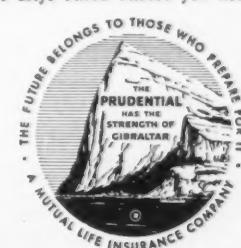
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1875—Protecting the Family—1955

Office Building Started at Skokie, Ill., for Trans-America Group

Construction has started on a new, one-story office building at Washington Street and Skokie Highway, Skokie, Ill., for the western department of Pacific National, Paramount Fire and Manufacturers Casualty.

Geoffrey L. Hubbard, vice-president and manager of Pacific National's western department, said the building would cost more than \$500,000. The building has been site-engineered and will have fluorescent lighting, air conditioning, a cafeteria and parking facilities for 75 cars.

The three companies, with staffs of approximately 300 persons, expect to move into the building early in 1956.

The building will contain more than 39,000 square feet of floor space.

George H. Garner, vice-president of Manufacturers, said none of the space would be leased to other firms. The building was engineered to provide for additions at a later date.

The three companies now have offices at 120 South LaSalle, Chicago.

U. S. Fire Quarterly Dividend Increased

United States Fire has declared a dividend of 25 cents per share on common stock, payable Aug. 1 to stockholders of record July 21. This would be equal to 50 cents per share on the stock before the company recently doubled it with a 100% dividend. Previously the quarterly dividend was 45 cents per share. This is at a \$2 annual dividend rate compared with \$1.80.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

REGIONAL GROUP MANAGER WANTED

Union Mutual Life Insurance Company offers outstanding opportunity for experienced group representative—preferably having both Group Life and Sickness & Accident experience—to supervise Illinois, Michigan and Ohio territories. Write to Robert C. Russ, Vice President, Union Mutual Life Insurance Company, c/o L. F. Hawley Agency, Inc., 105 West Adams St., Chicago.

AUTO UNDERWRITER

Young man with Liability and Physical Damage experience able to handle territory. Should have basic background in Insurance, Manuals Rating Plans and Filing Procedures. Give details of experience in reply to:

PERSONNEL MANAGER
Aetna Insurance Group
300 So. Northwest Highway
Park Ridge, Ill.

WANTED

by Iowa Multiple Line Mutual Company casualty underwriter or engineer. Three to five years experience. Under 35, to develop inspection and engineering service. Some travel. Address G-19, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION WANTED

Young man, age 37, qualified for management position in home office. Experienced in organization, mergers, accounting, production, departmental filings, underwriting, etc. in casualty, life & disability. Desire change and seeking opportunity. Any location considered. Box G-18, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Casualty Adjuster to manage one man, Central Ohio office. Must have 4 years experience in B. I. and all Casualty lines. Opportunity for right man. Address Box G-6, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CHIEF PAYROLL AUDITOR

Well established Mutual Company has opening for experienced man to supervise department and make special audits in Michigan only. Salary open. Send background, references and age, etc. to F-98. The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

Insurance Agency—Eastern Iowa

Sell all or part and you operate it. One-half costs you \$22,500. All—\$45,000. This price is based on one and one-half times annual commission. Do not answer unless in position to handle. Address G-21, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CARRIER WANTED

General Agency, serving Detroit Area, requires company to insure Sub-Standard Automobile B.I., P.D., COLLISION & C.A.C. on admitted or non-admitted basis. Also Standard Outstate Risks taking Detroit FACTORY Delivery. ALL RISKS Corporation, Lafayette Building, Detroit 26, Michigan.

POSITION WANTED

Young, married man; experienced as attorney, adjuster and examiner in all casualty lines. Desires any type position for which he is qualified. Prefers East, but will consider all offers. Write Box G-10, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE ADJUSTER WANTED

Chicago Independent Adjuster firm seeking an experienced Fire Adjuster. Primarily for the North side of Chicago, Ill. Address Box G-20, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

AUTOMOBILE COMPANY

One of Michigan's largest General Agencies needs another Full-coverage Automobile or Multiple-line company to absorb its growing volume. Box G-12, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4 Ill.

AVAILABLE

SAN FRANCISCO, LOS ANGELES AREAS
Live-wire, 29, loyal, capable, with five years inland Marine and Casualty experience, willing to roll up sleeves and work past five under qualified executive leadership, seeks challenging position with company or agency. Salary secondary. Address G-14, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

POSITION AVAILABLE

Large Southern Local Agency has fine opportunity leading to management responsibility for casualty man in early thirties with experience all lines. Send résumé, with snapshot, indicating personal history and experience. Address F-72, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Established multiple line company seeks automobile and casualty chief underwriter (no compensation, fidelity or surety) for Southeastern regional office. Excellent opportunity for experienced man, preferably in mid-thirties. Specify experience in detail. Address Box F-77, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Wikman Promoted by GAB, Hopkins Also Advanced

Allan Wikman, who has been manager of education and research in General Adjustment Bureau's eastern department, has been transferred to the national executive office as director of education and research. Vincent W. Hopkins has been appointed a general adjuster in the eastern department. He will be concerned with education and research activities and will act as catastrophe supervisor.

Mr. Wikman has been with GAB since 1927. Assigned to Scranton, Pa., he was appointed manager there in 1942. Three years later he transferred to Buffalo as assistant manager. In 1947 he was assigned to the departmental office as assistant manager of education and research, becoming manager of that division in 1951. Mr. Wikman will coordinate education and training activities throughout the four GAB departments.

Mr. Hopkins joined GAB in 1948 at Scranton, and transferred to Binghamton the following year. He was manager at Hyannis, Mass., assistant manager at Providence, and in recent years has headed many of the eastern department's catastrophe operations.

Employe Can't Collect if Employer Fails to File WC Claim for Him

Ohio supreme court has confirmed lower court holdings that if an employer offers to file a workmen's compensation claim for an injured employee and then fails to do so, the employer cannot be held responsible.

Paul Greenwalt sued Goodyear Tire & Rubber for \$100,000 damages. He said he was permanently injured at work and wanted to file a claim for benefits under the WC act but Goodyear offered to file the claim for him, and then did not do so. In the meantime the claim deadline was passed. Greenwalt's petition was dismissed on the grounds it did not state a cause of action against Goodyear.

Wyo. Department Cautions on Block Policies But Favors Their Use

Commissioner Taft of Wyoming has joined the list of commissioners who have sent out a bulletin on the commercial block policies but he has taken a far more favorable attitude about the writing of such business than have some of the other states.

The bulletin says the department feels there is "no question of the desirability of combining various proper exposures into one package" as the trend of the insurance industry has been in this direction for many years . . . the major weakness of most proposals which are based on a divisible loading is a fact that they vary so widely and if approved on a judgment basis at present would still be unsupported except on a basis of judgment years from now and may in addition become discriminatory . . . It is the opinion of this department therefore that such policies are desirable from the insured's point of view that for the present the rates will have to be based on judgment and that as soon as possible rates should be made on the basis of statistics."

The Wyoming department will accept filings on commercial block mercantile block or all-risk mercantile policies under seven conditions these being:

That the policy be considered multiple line; that it be all-risk in nature and not exclude hazards that are in the

nature of risk except carelessness or dishonesty and similar hazards; that it include 100% coinsurance fire and EC contents rates plus a reasonable indivisible loading for other hazards which may vary by type of occupancy; that statistics on premiums and losses be maintained separately on package policies and be reported to IMIB and TIRB on the basis of the policy as a package; that expenses be kept separate from the component lines and reported to the department in the usual expense exhibit; that policy forms and rates be filed and approved by the department prior to use and that experience for the policies be reported to the department in the annual statement.

NAII Denver Meeting Is To Be Well Attended

A surprisingly large response has been given to announcement of the meeting July 28-29 of National Assn. of Independent Insurers at Denver. Originally this was to have been somewhat of a regional meeting, but more than 100 companies have made reservations for approximately 200 representatives. Commissioners from several of the states will be on hand.

The program calls for several workshop sessions to be conducted concurrently the first day and a half. There will be a get-together and dinner July 28 and a luncheon July 29.

Among the topics to be taken up are legislation, casualty statistics and filings, inland marine and fire and allied lines, traffic safety, casualty coverages and underwriting, and public relations.

This will be the first general meeting of NAII, other than the annual convention, since 1952, and may be the prelude to the development of mid-year meetings. NAII has scheduled its annual convention for Oct. 31-Nov. 2 at Chicago. About 600 will turn out for this.

Taft Asks Agent Support of Trade Practices Law

Commissioner Taft of Wyoming has sent out a bulletin to agents asking them to cooperate with the new unfair trade practices law pointing out some of the features of the law of special interest to agents. Among these he mentions the making or circulating of a misleading statement or misrepresentation regarding dividends term of policy financial condition of an insurer etc. in order to induce a policyholder to lapse or surrender his insurance; the making of an untrue statement regarding the financial condition of a company calculated to injure any person engaged in the insurance business; or an act of coercion in the sale of insurance in connection with real estate loans or installment sales.

McGillen Named Assistant Vice-President of Allstate

John H. McGillen, resident manager for Allstate at Chicago since 1951, has been appointed assistant vice-president and will join the home office staff as assistant to Edward H. Schroeder, vice-president in charge of claims.

Mr. McGillen joined Allstate in 1938 as assistant claim manager at Chicago, was named claim manager at New York in 1947, resident manager at Rochester, N.Y., in 1949 and resident manager at New York in 1950.

Florida WC Rate Change

A change in workmen's compensation rates will go into effect in Florida Aug. 1, according to an order by Commissioner Larson. The rate hike in the manufacturing group will amount to 0.1%, and all others except contracting, 8.7%. The contracting group will receive a 3.8% reduction.

July 21, 1955

Bureau Takes Okla. Auto Rate Filing to State Supreme Court

National Bureau of Casualty Underwriters, representing 87 companies, Tuesday asked Oklahoma supreme court to reverse the state insurance board ruling which disapproved proposed classifications, rules and rates for passenger cars.

The board approved part of the filing April 20 but turned down the passenger car proposal on grounds that the seven classifications not supported by statistics would tend to confuse the public and agents and would "encourage discrimination."

The bureau's petition contains nine allegations of error and failure by the board, including denial of due process and equal rights under the federal constitution. It alleges the board abused its discretion, did not follow state laws and failed to make findings of fact. The board also turned down an application to reconsider April 27. The bureau asks the court to reverse the ruling and approve the filing.

Lexington Restored in Mass.

The Massachusetts department restored Lexington to the list of approved non-admitted insurers July 1. It had been off the list since April 25 when it was removed pending submission of a report of examination as required by law. The department said criticism developed while it was examining the company were subsequently satisfied. Lexington is a Delaware company controlled by principals in the Boston general agency of Boit, Dalton & Church.

Grove With Motor Vehicle

Mel Grove has been appointed field representative in Iowa for Motor Ve-

hicle Casualty of Elmhurst, Ill. Mr. Grove has been with Grove & Denlinger local agency of Dubuque, and has sold his interest in that agency to his partner. Before going into the agency business, Mr. Grove was a field man in Iowa for Freeport Motor Casualty. Last week THE NATIONAL UNDERWRITER incorrectly reported that Mr. Grove had been appointed in Iowa by Freeport instead of Motor Vehicle Casualty.

Silver Multiple Lines V-P of Atlantic Mutual

Atlantic Mutual group has named E. V. Silver Jr. vice-president in charge of the newly created multiples lines department, effective Sept. 1. He will also have general responsibility for all inland marine operations.

Mr. Silver entered insurance with Fireman's Fund in 1929 and for five years has been a assistant manager of its eastern marine department in charge of inland marine operations.



E. V. Silver Jr.

John Clark Promoted in West by Loyalty Group

John T. Clark has been appointed assistant secretary handling production in the western department of Loyalty group. He has been with the companies for three years in the loss department.

Mr. Clark started in insurance in 1946 with Underwriters Adjusting at Chicago. In 1950 he became an underwriter for Boyle, Flagg & Seaman, Chicago agency. He is a graduate of Notre Dame and is a son of Herbert A. Clark,

vice-president of the western department. John Clark was in the navy in the South Pacific during the war.

Barrett, Parker to Manage Allstate Regional Offices

Bailey M. Barrett has been appointed resident manager of Allstate's regional office at Salem, Ore., scheduled to open next fall. Richard A. Parker

has been named resident manager of the regional office at St. Petersburg, Fla., scheduled to open next spring.

Mr. Barrett joined Allstate in 1949 as an adjuster at New York City, was named assistant claim manager at Rochester, N. Y., in 1951, assistant to the home office general attorney in 1952 and casualty claim director in 1954.

Mr. Parker joined the company in 1951 as an analyst at Los Angeles.

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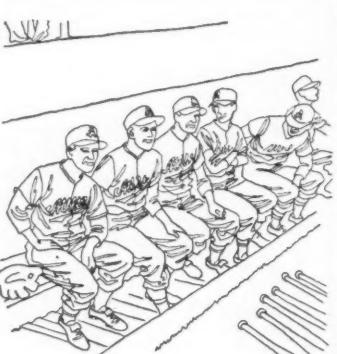
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UJF Operation in N. J. Normal So Far

(CONTINUED FROM PAGE 1)

accident six persons were injured. The driver may not have had a license to drive, to begin with, and of course could not now get one. Such cases of total irresponsibility undoubtedly will go to judgment III.

There is a great deal of interest countrywide in this practical functioning of UJF in New Jersey. In a sense, it is an experiment for the country, and its success or failure in New Jersey undoubtedly will decide the question in many states of whether it will be used as an alternative to compulsory, or abandoned. Several bills of the New Jersey variety were introduced in legislatures the past legislative season.

So far, the board has run into no unexpected difficulties. While still in its infancy, the program is moving along according to plan. It has had the benefit of top men in the business as members of the board, and they have worked to establish its administration soundly. Members of the board include two state officials, Frederick Gassett Jr., head of the motor vehicle bureau; Charles R. Howell, insurance commissioner; Francis Van Orman, vice-president and general counsel of American, who is chairman and who represents on the board stock company rating organization members; C. Harold Whittemore, vice-president of Liberty Mutual at Philadelphia, who represents mutual company rating organization members; Henry S. Moser, vice-president and general counsel of Allstate, who represents independent stock companies; and R. G. Chilcott, vice-president in charge of claims of Farm Bureau of Ohio, who represents independent mutuals and others.

In addition to Mr. Bambrick, the operating staff consists of an examiner, a secretary and a bookkeeper. The staff works in conjunction with the security responsibility division of the motor vehicle bureau, and uses the filing system of that division. While the insurers pay the cost of this function, the cost is much less than it would have been had the board set up its own establishment in toto, and it has been a surprise to observers that the fund could be put into motion by so small a state bureau.

The effective date of the fund was April 1, a Friday, and the board began to get notices Monday. The board can assign notices to an insurer for investigation and defense and/or settlement. If the settlement is for an amount less than \$1,000, the insurer can settle with the consent of the board. If the settlement is for more than \$1,000, it must be approved by a court.

The defendant is the uninsured, and he must agree to the settlement. If he does not, the case must go to a court judgment. Thus, in a settlement, the amount has to be paid both to claimant and uninsured.

Courts do not accord UJF cases special treatment except settlement cases and hit-run claims. Otherwise the claims follow the course of the negligence cases.

Of the 655 notices received the first quarter, 240 were assigned to insurers, 53 were unassigned because they consisted of property damage liability claims only and were under \$400, and 131 notices involved persons ineligible to the benefits of the fund. Most of the latter were not eligible for benefits because claims amounted to less than \$200, some were claimants from out of state, some notices involved defend-

ants who turned out to be insured instead of uninsured, and a few claimants turned out to be uninsured themselves. Uninsured motorists are not covered under the law—though it should be noted that pedestrians are. Also, some notices were too late, and the law provides that they must be in the hands of the board within 30 days of the accident.

The 53 PDL cases which were unassigned involved claims of less than \$400 each; in such instances, the parties are supposed to work out a settlement themselves. If they cannot do so, they will be assigned.

Mr. Bambrick reports that it takes about 30 days for a notice to get in and be shaped up properly. This accounts for the other 230 of the 655 notices. They are "in the mill." The prospective claimant may not get in his notice right away. When he does, the board has to accumulate information on insurance from the accident reports made to the motor vehicle bureau under the security responsibility law, to determine if the claim is proper. In addition, on bodily injury claims, there must be a doctor's certificate, and doctors seem to be delaying furnishing these certificates. This may turn out to be something of a problem. If the board does not receive a doctor's certificate, under the act, it is supposed to disallow the notice.

There have been two notices involving the hit and run feature of the act. The requirement here is that the claimant must file suit against the director of motor vehicles. The act permits that official to be named as defendant. The board can defend or it can settle such cases.

In addition to all the other qualifying standards for a notice to be effective, the accident must occur in the state.

So far claims have the characteris-

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tics of usual insurance claims, except for the modifying influence of the 5/10/1 limits which are applicable.

It will be interesting to see how the \$200 deductible, which is applicable to BI as well as PDL, will work out. The question undoubtedly will arise of whether a claimant who has both a BI and a PDL claim should be subjected to two deductibles. So far the \$200 deductible has been "adjusted out" on the PDL claims, two of which have been settled, one for \$175 and one for \$250.

One interesting situation the board has run into is the objection of some claimants to collecting insurance under their own collision coverage, rather than getting the money from the fund. The law provides that the claimant against the fund must show that he has no collision insurance that covers his own damage, and he must show also that he is not making a claim for the insurer—subrogation is out. This tallies with the purpose of the fund, which is to indemnify persons who otherwise would not be indemnified for injury or damage. Apparently, those insured who object to using their own collision insurance want to protect their insurance policy from possible cancellation or at least the accumulation of a bad record which would influence the securing of insurance.

The claims which had been qualified and which were outstanding at the end of the first quarter have been reserved at \$200,000 to \$250,000. The costly cases are still "maturing".

The insurance company which investigates the claim sets up the reserves.

General Adjustment Bureau has 15 men specially trained to handle such claims exclusively, stationed at Trenton, Atlantic City and Newark, and will get approximately 70% of the cases because they represent approximately 94 companies writing that percentage of automobile casualty business in the state. Some independent claim men have been designated to handle claims by some insurers. Allstate, Atlantic Casualty and Zurich are accepting UJF claims for most of the independent companies, Liberty Mutual and Lumbermen's Casualty for some of the mutuals, and the others for their own account.

There is a point system in connection with assignments to make distribution of the handling of claims equitable. Each claim has a point value; a PDL claim with one claimant is two points; if it goes to suit, it becomes six points, and points are added for each day in court. On a BI claim with one claimant, the case is given a value of four points; if it goes to suit in district court, five points are added, etc. The board has received claims so far involving initially the evaluation of as much as 24 points. The assignments are reviewed at the end of the year in connection with their point value so that companies will get a proportionate share of the work, the expense involved, etc.

Notices of intent to file claim have increased in number. In the first month the board received 56 notices, in the first week of May it received 57 and 260 for the month, and in June 339. The number is expected to level out as time goes on but probably a trend indication in this respect cannot be forecasted until the fund has had a year of operation.

The fund has had wide publicity. The

board has issued a pamphlet which explains the working of the act. Various developments in connection with the fund received a great deal of newspaper attention from time to time both before and after passage of the act. The fund's forms are available at the motor vehicle bureau offices over the state, at police stations, etc. Insurance agents have circularized customers, and most agents maintain a supply of the forms in their offices. Mr. Bambrick has given several talks before agency meetings. Consequently there has been wide public education so that it is doubtful that very many persons with proper claims against uninsured are failing to file notices even this early.

Forms have been kept to a minimum for the use of the public and the investigating insurance companies. The only form required from the investigating insurer is at the time of close, when the insurer submits a report. In addition, the insurer furnishes the board with monthly bordereaux, or claim lists, which indicate the status of cases it is handling.

Kemper Opens N. Y. Office; Mawhinney, New Manager

Establishment of production and underwriting facilities in a new office in Garden City, Long Island, was made by Kemper companies.

William H. Heineke, vice-president of Lumbermen's Mutual Casualty and manager of the eastern department of Kemper group, said the new office will open July 18 adjacent to Kemper's claim office at 350 Old Country road and will provide Long Island agents with most services formerly obtained through New York City office.

John D. Mawhinney, with Kemper in New York state for 20 years, will manage the new office. Mawhinney joined Kemper as an underwriter in Syracuse in 1935, became a procedures coordinator in 1942 and was made district manager of an upstate territory in 1943.

Harold L. Kyff, John F. Osbelt and J. M. Sullivan have been named district managers in upper New York and James E. Parnell has been named manager of Buffalo office.

GAB Operations Are Extended in Ga., Va.

General Adjustment Bureau has opened a branch office at Farmville, Va., with L. G. Shelby as adjuster-in-charge, and has named A. Bernard Jordan as resident adjuster at Tifton, Ga.

Mr. Shelby had been resident adjuster at Farmville. He is assisted by J. M. Pharr Jr., formerly at Charlottesville. The branch is under the over-all supervision of R. R. Connelly, manager at Richmond.

The Tifton operation is an extension of the Waycross office. Mr. Jordan was formerly at Waycross.

Pa. Assigned Risk Plan Handled 13,936 New Applications in 1954

The Pennsylvania assigned risk plan handled 13,936 new applications in 1954, of which 11,432 were not required to file evidence of financial responsibility. A total of 13,432 new applications were handled the previous

year. During the year 15,441 renewal assignments were also handled, compared with 8,786 in 1953. Of 14,551 policies expiring during the year, 4,330 were not renewed by insured.

AMA Conference Date Set

A divisional insurance conference will be conducted by American Management Assn. Oct. 26-28 at Palmer House, Chicago.



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Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

American Surety group since 1948. Mr. Brown entered insurance with Brown & Stokes agency in Sarasota, Fla., in 1924. He joined American Surety's agency and production department in 1935 and served as a district supervisor and superintendent of agencies. In 1946 he was appointed manager of the metropolitan branch of New York Casualty which later merged with American Surety.

More Hearings on Welfare Funds

WASHINGTON—A Senate labor subcommittee this week resumes investigation of welfare funds and pension plans. Hearings were scheduled to begin Wednesday. Sen. Douglas of Illinois is subcommittee chairman.

Representatives of several agencies were listed for testimony, internal revenue service, federal reserve board, Department of Justice, Department of Labor, securities and exchange commission, national labor relations board, and social security administration of Department of HEW.

La. Studies Rate Cuts for Autos Equipped with Safety Devices

The casualty and surety division of Louisiana Rating Commission has begun a study of insurance rates on automobiles from a standpoint of safety devices. Chairman George H. Menefee said it has been known for years that incorporation in automobiles of safety belts, padded dash boards, doors which do not fly open on impact, and other features would result in a great savings in the loss of lives and in reduction in accident severity.

The public has not demanded incorporation of these features and since the manufacturers do not usually make design changes except from a standpoint of sales appeal, they have not seen fit to incorporate them. It is felt that by reducing insurance premiums on automobiles which incorporate certain approved safety devices of recognized value the public would be more interested in having these items and thereby give some impetus to the manufacturer to make the necessary changes. The reduction in rates for the inclusion of safety devices seems feasible, Mr. Menefee said, and if it is found to be so, it should not be difficult to determine the amount by which the premium would be reduced. The reduction in premium should be sufficient to make the inclusion of these devices economically interesting to the insured, and at the same time it is necessary that the division justify to the insurers that the reduction of premium will be more than offset by savings in accident cost.



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Federal Employe A&H Bill Would Provide Basic, Major Medical

A bill to carry out the administration's federal employe contributory group A&H program has been introduced by Senators Johnston of South Carolina and Carlson of Kansas. It would authorize the civil service commission to administer the program.

An employe would have the choice of two types of coverage: local, non-profit plans, such as Blue Cross and Blue Shield, non-profit plans furnishing health services, employe-sponsored plans, or indemnity plans, providing 75% of employees in a particular operation decided on such a plan; or uniform national indemnity plan, contracted for by the commission.

Prepayment group plans, group practice prepayment plans, and insurance companies' facilities could be utilized. In any case the government's contribution would be limited to a third of premium, or \$52 a year for employes with dependents or \$19.50 for single employes, whichever is less. Under the uniform indemnity plan, the cost to a single employe could not exceed \$39 a year, and for employes with dependents \$104 a year.

Major medical also would be available, with a \$10,000 limit. The employe would meet the first \$100 of expense after the expiration of basic benefits before the policy would become effective, and after it came into effect he would be assessed 25% of costs up to the \$13,333 ceiling. Costs exceeding the ceiling limit would be borne entirely by the employe.

Rates and maximum expense and risk charges of the uniform policy bought by the commission would be subject to readjustments based on lowest rates generally charged for new group health policies with similar benefits to large employers.

The civil service commission would have the right to approve any participating insuring program and it would be authorized to issue rigid regulations governing transfer from one plan to another to avoid adverse selections to any one plan. An advisory board of five to 11 federal employes, appointed by the civil service commission chairman, would advise on policy matters.

The uniform policy purchased by the commission would provide board and room benefits up to 70 days of hospital confinement at not more than \$15 daily and \$300 would be allowed for other hospital services and supplies. Maternity benefits in lieu of all other hospital benefits would be included, with maximum benefit of \$125 per pregnancy. Surgical benefits would be limited to \$250, \$75 for delivery of child and \$125 for caesarean. The commission could change the benefits after consulting the advisory committee.

The House committee on post office and civil service ordered favorably reported the Senate bill to amend the federal employes' group life act to take care of members of employes' beneficial associations.

Rep. Rees of Kansas has introduced a similar bill in the House. It has been referred to the committee on post office and civil service.

Expand Dallas Office Territory

The Dallas office of the Kemper companies has expanded its operations to cover Arkansas, Oklahoma and New Mexico in addition to Texas. E. A. Hook, resident is secretary.

Mutual Changes in Auto, General and Burglary in Okla.

Oklahoma has approved for Mutual Insurance Rating Bureau revised rules and rates for commercial automobile liability, general liability, and burglary, effective July 20.

Revisions in commercial auto classifications and rates are similar to those introduced by Mutual Bureau in other states Feb. 16. Two commercial auto classes, 7 and 8, are added and certain other commercial auto risks are re-assigned to existing classification in accordance with experience. The adjustment in rates for commercial cars is an average increase of about 25% for BI and PDL. Rates on garage risks written on payroll and including cover for the operation of garage-owned cars are increased about 30% for BI and PDL.

Rates are reduced for BI about 20% on contractual and owners' or contractors' protective and about 25% on product. Elevator BI rates are increased 22% and hospital professional liability 50%.

M&C rates are reduced from 8% to 40% for BI, for an average of 22%. Rates on M&C for PDL are increased 12% to reflect introduction of new basis limits of 5/25 in lieu of the previous limit of 1/10. The rates for the new basic limits are lower than those previously in effect for 5/25.

The adjustment in the basic PDL limits for general liability from \$1,000 to \$5,000 for the per accident limit and from \$10,000 to \$25,000 for the aggregate limit also become effective in Oklahoma July 20.

Revised burglary rules, rates and classifications have been introduced similar to those recently announced by Mutual Bureau effective June 1 in other states. Rates are reduced about 10% for mercantile open stock and about 20% for office burglary and robbery. Rate increases of 8% to 16% will apply to money and securities broad form, interior robbery, storekeeper's burglary and robbery and mercantile safe. Reductions in minimum premiums will apply on money and securities broad form and messenger and paymaster robbery coverages.

Publish 1955 Edition of Hine's Legal Directory

The 1955-1956 edition of Hine's Legal Directory has been published. This is a listing of insurance and transportation defense counsel in the U. S. and Canada and there are supplemental listings of handwriting experts, insurance companies, company groups, insurance and transportation organizations, state insurance officials and transportation lines.

The new edition contains 550 pages. Copies can be secured from Hines at P.O. Box 71 Glen Ellyn Ill.

Field Changes in Kan., Mo., Made by Royal-Liverpool

Steve Lefterson has been named state agent for St. Louis and St. Louis County by Royal-Liverpool group to succeed J. K. Austin, who resigned.

William C. Bock will succeed Mr. Lefterson at Topeka as state agent for eastern Kansas while Walter D. Thomson will succeed Mr. Bock at Wichita as state agent for western Kansas.

Mr. Lefterson joined Royal-Liverpool in 1945, Mr. Bock in 1950 and Mr. Thomson in 1952. All of the men have worked in the Missouri and Kansas field since joining the company.

Standard Accident and its affiliate, Planet, have moved their Richmond, Va., offices to 4009 Fitzhugh Avenue.

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